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FINANCIAL TIMES

No. 27,447 Friday December 30 1977 *12p

For Really Discerning Drinkers

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NEWS SUMMARY

GENERAL

Finland to buy 100m. Hawks

Finland's first export order for a ground attack-trainer aircraft valued at about \$100m. The order, from Finland's Defence Ministry, is for 50 aircraft.

The contracts will be signed by the British side by British Aerospace, of which Hawker Siddeley is a part, as well as by other suppliers. British Aerospace director yesterday that Finland's intention to purchase the Hawk is a breakthrough of the first kind.

It is claimed that Finland had not got a professional and objective evaluation of the Hawk as second to none.

BUSINESS

Pound reaches new high

DOLLAR reached new lows against other currencies, and STERLING reached its highest against the dollar since March 21, 1976, closing at \$1.9100, for a 1 1/2 cent gain. Its trade-weighted average was 65.2 (64.6) and the dollar's widened to 5.02 per cent. (4.58).

EQUITIES failed to maintain previous day's gains and prices retreated on lack of support. The FT index closed 0.2 up at 490.6.

GILTS were in demand at the short end, with gains of up to 1/2. The Government Securities index closed 0.07 up at 77.93.

ORDER CHARGE

Norman Small, founder of Federation of Self-Employed and Small Businesses, was found guilty of a charge of obstructing justice in a room at 11, Ilkley, Yorkshire, Mr. Small, 65, of Heaton Moor, Stockport, founded the federation in 1964 but resigned a year later. He is charged with obstructing justice in a case which would appear in the High Court today charged with a charge of obstructing justice.

PROTEST

Louis de Guiringaud, the French Foreign Minister, visited the Algerian Ambassador in London to deliver an official message following claims by the Algerians, released by the Algerian movement just before Christmas, that they had been killed in Algeria during their fight against the French.

CLAIM

Jack Lynch, the Irish Prime Minister, has rejected a suggestion to amend the Republic's constitution to drop its territorial claim to the six counties of Ulster. Two bombs exploded in Belfast on the first day of the Christmas sales. Three people were injured in a bomb explosion at a Belfast furniture shop.

HIT

It is said to be from one of the superstars which collided with the South African coast guard Christmas was washed ashore. Coastal authorities said the accident could result in serious damage to beaches and wildlife.

LEADS WAY

Woman judge and her banker husband became the first couple in Brazil to obtain a divorce by mutual consent. The process for the dissolution of marriage in the world's largest Roman Catholic country.

OFFICIALLY

Westminster will see the eighth wedding day when it will cease to be a registered office.

BBC claimed a 31 Christmas audience lead over ITV. It is 2.2m. viewers saw the Morecambe and Wise Show, compared with 1.8m. for The Muppet's. ITV's best audience.

The Office confirmed that a man admitted manslaughter by a court this month was on probation after being jailed for a year for the offence.

Britain's Communists have an attempt to regain the state, although they only one Parliamentary seat in a Government.

Means epidemic from the Far East, expected to be highly infectious, is sweeping the Soviet Union, according to a Moscow newspaper.

World had its heaviest snowfall in 25 years, when high winds scattered over 100 trees in a park.

Boyevet will captain England today in the limited-over international against Pakistan at Sialkot.

Firemen seek talks with employers to end strike deadlock

BY ALAN PIKE, LABOUR CORRESPONDENT

Leaders of the Fire Brigades' Union are to seek a joint meeting with the Government and local authority employers in an attempt to break the deadlock in the firemen's strike, now nearly eight weeks old.

The Government and employers are expected to agree to the meeting and it will take place next week, possibly on Tuesday.

Members of the FBU executive, angry at what they believe is the failure of the TUC General Council to honour its promise to prolong the strike and press police on public sector pay, also decided yesterday to demand a special recall of congress to discuss the union's case.

The executive decided to seek the meeting after a day of discussion at which they reviewed the state of opinion among strikers around the country.

Executive members from all over Britain reported that there would be no point in recalling the union's conference on the basis of the employers' present offer.

This would take firemen's earnings into line with skilled manual workers in industry in two years' time, but restrict them to a 10 per cent settlement now.

A move by Mr. David Shepherd, executive member for the moderate South East region, to recall the conference was unanimously outvoted.

Mr. Shepherd, who had threatened on Wednesday that the 3,000 firemen in the South East might return to work said last night that in view of the proposed talks with the Government, he believed his members would remain out.

Mr. Terry Parry, FBU general secretary, said that reports from the regions did not provide a basis for recalling the conference. But the union had no wish to prolong the strike and was consequently suggesting the joint meeting. The union wanted the Government present because, although it was not directly involved in pay negotiations, it was "never far away."

These include possible changes in the two-year phasing of the new pay formula being offered and a suggestion by the union that it would defer the introduction of a shorter working week from next November in return for more money now.

Yesterday's decision to seek a recalled TUC congress reflects the firemen's anger at the refusal of TUC leaders to develop the strike into a general campaign against the application of the 10 per cent pay guidelines in the public sector.

The move will be "to ensure that the firemen's strike is again on the agenda when the General Council meets in January. At this month's meeting, the General Council accepted a decision not to support the firemen by only 20 votes to 17."

Sadat attacks Carter's attitude on Palestinians

BY OUR FOREIGN STAFF

President Anwar Sadat of Egypt yesterday attacked the attitude of President Carter towards the future status of the Palestinians who would be an early Middle East peace settlement.

In a strong reaction to Mr. Carter's apparent support for the Israeli position on the Palestinian issue, Mr. Sadat said in Cairo that the U.S. President's stance "will postpone a solution to the problem for some time because we have to re-open the whole issue. He is making my job very difficult."

Mr. Carter, in a television interview on Wednesday, reaffirmed his support for a Palestinian "homeland" but said that he disagreed with Mr. Sadat's insistence that it should be an independent nation.

"My own preference," Mr. Carter said, "is that there not be a fairly radical, new independent nation in the heart of the Middle East."

In a U.S. television interview, Mr. Sadat said: "This embarrases me. What surprises me is that he ignores the importance of the Palestinian issue... the core and the crux of the whole problem. Without solving the Palestinian question... we cannot establish peace."

Mr. Carter had said that Mr. Menahem Begin, the Israeli Prime Minister, took a long step forward in offering a measure of support for Arabs on the West Bank of the Jordan in the Israeli peace plan made public early on Wednesday.

Mr. Carter said the Begin proposal of Palestinian self-rule, with continued Israeli military presence on the West Bank, was "flexible." He said there was flexibility over the number of outposts there and the length of time the interim solution was in effect.

Mr. Carter also said that he would not try to put pressure on King Hussein of Jordan to join direct Middle East talks. "I don't intend to put any pressure on Hussein—I couldn't if I wanted to. If he wants to do it, we would welcome it."

Court Line auditors criticised

BY MICHAEL LAFFERTY

A DEPARTMENT OF Trade report on Court Line, the holiday group which collapsed leaving thousands of holidaymakers stranded in 1974, will criticise City accountants Robson Rhodes for its audit of the 1973 accounts, the last account Court Line published.

The Court Line Board, which is said to have ignored the advice of Robson Rhodes on specific aspects of the accounts, will also be criticised. The inspectors, one of whom was Mr. Douglas Morpeth, the King's chartered accountant, conclude that the 1973 Court Line accounts did not give a true and fair view and that the group was not a going concern for accounting purposes at the time the last accounts were published.

Copies of the inspectors' final report (an interim report was issued in 1975) have been delivered to the Department of Trade and Court Line's liquidators, Peat Marwick Mitchell.

One of the most striking aspects of the inspectors' report are sections which could be regarded as an attack on the way in which accounting principles are currently applied by companies and auditors. In particular the inspectors say that while it could be argued that individual items in the 1973 accounts gave a true and fair view, the overall accounts did not do so.

Practices which are singled out for particular criticism include:

- Court Line's policy of capitalising revenue expenditure. The 1973 accounts showed an asset of £2.5m. for "deferred revenue expenditure."
- The capitalisation of goodwill. This amounted to £12m. in the 1973 accounts which showed total shareholders' funds of only £18m.
- The treatment of leased assets. Aircraft valued at many millions of pounds did not appear as assets in the accounts, nor was the related liability included.

Only one major asset, the Halcyon Days hotel in the Caribbean which Peat Marwick says is now running at an annual profit of \$1m., remains to be realised.

Mr. Michael Makin, who was finance director during Court Line's final year and is now a partner in Nash Broad, City chartered accountants, said yesterday that the DOT inspectors had made considerable efforts to be fair in the conduct of their inquiries.

Healey calls for lasting wages policy

By Peter Riddell, Economic Correspondent

THE NEED for some kind of long-term incomes policy, especially in the public sector, has been stressed again by Mr. Denis Healey, the Chancellor.

It is his clearest statement yet in the growing debate about what happens after the end of Phase Three of the Government's wage controls and guidelines next summer.

Interviewed in the January issue of Socialist Commentary, a monthly magazine of the Labour Right-wing, Mr. Healey describes as "very interesting and stimulating" the recent proposals for collective vetting by public sector unions of their pay problems.

The proposals were made by Mr. David Ransett of the General and Municipal Workers' Union.

Mr. Healey comments that "more and more people are coming to realise that no Government can avoid having an incomes policy so far as its own employees are concerned."

"It must have an attitude about what is the appropriate level of wage increase in the various parts of the public sector where it is either employer or paymaster."

"But it is necessary to have a pay policy for the public sector and a free-for-all in the private sector can be very unfair to the public sector."

The whole issue of what happens after the end of Phase Three remains extremely sensitive, both within the Cabinet and between the Government and the TUC.

The unions are naturally reluctant to have any public discussions now and Ministers want to avoid doing or saying anything which will jeopardise the present pay round.

But some senior Ministers do wish to keep the debate going, even if only informally. They will obviously want to avoid the row which followed Mr. Healey's partly misinterpreted comments to the Manifesto Group of moderate businessmen.

Good reception in U.S.

BY JOHN WYLES

PRESIDENT CARTER has won as good a reception as he dared in London, however, indicated by the fact that he was replaced by Mr. Arthur Burns as chairman of the Federal Reserve Board. Although Mr. Miller is and is highly regarded by his market traders on Wall Street, it became clear this morning that the new chairman of the Fed is a man who will be unreservedly embraced by the few hundred corporate executives who are active in such elite and influential organisations as the Business Council and Business Roundtable.

Where Hine?

Hine (pronounced to rhyme with the English "fine") comes from Jarnac, at the very heart of Charente where the best Cognacs originate. From there Hine finds its way to the heart of Cognac connoisseurs around the world, because Hine has a special appeal to the connoisseur of Cognac.

Each Hine designation has its own pleasure: ★★ on its own or with a mixer in convivial gatherings is available in most parts of Britain. The rarer Hine Antique and Hine OV are not so easily available. But if you seek you will find.

Hine VSOP is naturally available in all good hotels and restaurants where fine Cognacs are served. You might like to start a connoisseur's journey into the finer areas of Cognacs with Hine VSOP.

It is also available at all good wine merchants.

Hine The Connoisseurs' Cognac.

Dollar falls in reaction to Fed change

BY MICHAEL BLANDEN

THE DOLLAR slumped again yesterday as foreign exchange markets reacted adversely to the announcement that Dr. Arthur Burns is to be succeeded as chairman of the Federal Reserve by Mr. William Miller.

The U.S. currency hit new lows against the two strongest European currencies, the D-Mark and the Swiss franc. Its weakness gave a further boost to the pound, which touched its highest level against the dollar since the end of March last year.

At its best in early trading sterling reached \$1.9262 before easing to about \$1.91 by mid-morning. At the close, the pound had gained 1.5 cents on the day at \$1.91.

Its trade-weighted index against a basket of 20 other currencies reached its highest since May last year at 65.3 in the morning, coming back to close at 65.2 against 64.6 on the previous day.

The main fall in the dollar had taken place overnight in New York and Far East trading. The markets were concerned over the departure of Dr. Burns, regarded as the main bulwark of strict monetary and fiscal policy in the U.S.

His successor, chief executive of the Textron conglomerate, and 4.3 per cent. on the weighted index. This implies a marked further reduction in the competitiveness of U.S. industry confidence in his appointment abroad but, with the present pressure on the dollar commitment to monetary targets, U.K. authorities have only limited scope for any intervention to stem the upward pressure on the previous day, sure.

As chairman of Textron Inc., an international conglomerate with annual sales close to \$30m., Mr. Miller is a member of both the views of top businessmen, and is highly regarded by his peers.

Two of them, Mr. Irving Shapiro, chairman of Du Pont, and Mr. Reginald Jones, chairman of General Electric, are said to have been influential in his selection. Last night Mr. Jones went out of his way to stress Mr. Miller's suitability as "a guy we know and we can trust."

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PRICE CHANGES YESTERDAY

Prices in pence unless otherwise indicated

100lb. Flour	208	+4
100lb. Wheat	208	+4
100lb. Oats	212	+4
100lb. Barley	208	+4
100lb. Beans	212	+4
100lb. Lentils	208	+4
100lb. Peas	212	+4
100lb. Potatoes	208	+4
100lb. Apples	212	+4
100lb. Oranges	208	+4
100lb. Lemons	212	+4
100lb. Bananas	208	+4
100lb. Pineapples	212	+4
100lb. Mangoes	208	+4
100lb. Avocados	212	+4
100lb. Kiwifruit	208	+4
100lb. Strawberries	212	+4
100lb. Raspberries	208	+4
100lb. Blackberries	212	+4
100lb. Blueberries	208	+4
100lb. Elderberries	212	+4
100lb. Huckleberries	208	+4
100lb. Gooseberries	212	+4
100lb. Currants	208	+4
100lb. Raisins	212	+4
100lb. Walnuts	208	+4
100lb. Almonds	212	+4
100lb. Pistachios	208	+4
100lb. Hazelnuts	212	+4
100lb. Pecans	208	+4
100lb. Macadamia	212	+4
100lb. Brazil	208	+4
100lb. Cashews	212	+4
100lb. Pineapples	208	+4
100lb. Mangoes	212	+4
100lb. Avocados	208	+4
100lb. Kiwifruit	212	+4
100lb. Strawberries	208	+4
100lb. Raspberries	212	+4
100lb. Blackberries	208	+4
100lb. Blueberries	212	+4
100lb. Elderberries	208	+4
100lb. Huckleberries	212	+4
100lb. Gooseberries	208	+4
100lb. Currants	212	+4
100lb. Raisins	208	+4
100lb. Walnuts	212	+4
100lb. Almonds	208	+4
100lb. Pistachios	212	+4
100lb. Hazelnuts	208	+4
100lb. Pecans	212	+4
100lb. Macadamia	208	+4
100lb. Brazil	212	+4
100lb. Cashews	208	+4



Hine VSOP

Vieux Cognac

For an informative leaflet on Cognac, send a postcard to Dept. F1, 11th Floor, 1, Caxton Street, London SW1Y 4EG.

Scotching the EEC rules

BY ANTHONY HARRIS

DISTILLERS' answer to the EEC ruling on whisky prices... Scotch whisky prices are expected to rise...

Dumping cars

The fact is that it is not only in the mind matter of food prices... Dumping cars from Germany...

A good joke

It is true that Distillers is a very big company... A good joke about the whisky industry...

AROUND BRITAIN

BRITAIN MAY still be a country of marked economic and social differences... The relative standing of certain of the previously less affluent areas has improved...

The evidence has been brought together most clearly in a Central Statistical Office publication... The regional estimates of Gross Domestic Product...

Improvement

The figures show that the regional economies of Scotland, Northern Ireland and Northern England have improved... The rate of unemployment has fallen...

There is a pointer to future rates of growth in the relative expansion of industry's capital spending in recent years... The changes in relative Gross Domestic Product...

It should be easy for Dyscole

IN SPITE of a disappointing and somewhat surprising lack of runners at Newbury today... The favourite and Slasher proved too sharp...

RACING

BY DOMINIC WIGAN

NEWBURY 12.30-Peter Scott 1.00-Lyons Del Mar 1.50-Pollerton... LEICESTER 12.45-Salsa 1.15-Dyscole 2.45-Super Glazetta

HOW THE REGIONS FARE

Table with 3 columns: Region, GDP per head in 1975, Adult Unemployment percentage, Average Weekly Earnings in mid-December 1977

comes. Nevertheless, the south-east remains the leader... The changes in relative Gross Domestic Product...

McFarlane for Post Office Board

BY JOHN LLOYD

THE FINAL appointment to the management side of the Post Office Board will be Sir George McFarlane... He will bring the present strength of the Board up to seven to match the seven workers...

emerges as the region with the highest proportion of total weekly expenditure on housing... The other striking feature is that south-west England with 3 per cent of the population...

When all this is translated into consumer spending, south-east England, not surprisingly, emerges as the region with the highest proportion of total weekly expenditure on housing... The other striking feature is that south-west England with 3 per cent of the population...

ENTERTAINMENT GUIDE

CC-These theatres accept certain credit cards by telephone or at the box office... OPERA & BALLET... THEATRES... THEATRES

BBC 1 and BBC 2 programmes for Friday, December 30, 1977. Includes shows like 'The Wombles', 'The Wanderer', 'The Price of the Pauper', etc.

Local radio programmes for various regions including London, Southern, and Yorkshire. Includes shows like 'The Morning Show', 'The Evening News', etc.

F.T. CROSSWORD PUZZLE No. 3555. A grid of numbers for a crossword puzzle.

ACROSS and DOWN crossword puzzle clues. Includes clues like 'The accountant has to beat one-it's a hard case (8)', 'An outburst of anger has no right in the valley (5)', etc.

Solution to Puzzle No. 3554. A grid of letters corresponding to the crossword puzzle.

LONDON programmes for Friday, December 30, 1977. Includes shows like 'The Saint', 'The Wild Country', 'The Man from U.C.L.E.', etc.

GRANADA programmes for Friday, December 30, 1977. Includes shows like 'The Saint', 'The Wild Country', etc.

HTV programmes for Friday, December 30, 1977. Includes shows like 'The Saint', 'The Wild Country', etc.

RADIO 1 programmes for Friday, December 30, 1977. Includes shows like 'The Saint', 'The Wild Country', etc.

RADIO 2 programmes for Friday, December 30, 1977. Includes shows like 'The Saint', 'The Wild Country', etc.

RADIO 3 programmes for Friday, December 30, 1977. Includes shows like 'The Saint', 'The Wild Country', etc.

RADIO 4 programmes for Friday, December 30, 1977. Includes shows like 'The Saint', 'The Wild Country', etc.

RADIO 5 programmes for Friday, December 30, 1977. Includes shows like 'The Saint', 'The Wild Country', etc.

Capital Radio programmes for Friday, December 30, 1977. Includes shows like 'The Saint', 'The Wild Country', etc.

TYNE TEES programmes for Friday, December 30, 1977. Includes shows like 'The Saint', 'The Wild Country', etc.

ULSTER programmes for Friday, December 30, 1977. Includes shows like 'The Saint', 'The Wild Country', etc.

WESTWARD programmes for Friday, December 30, 1977. Includes shows like 'The Saint', 'The Wild Country', etc.

YORKSHIRE programmes for Friday, December 30, 1977. Includes shows like 'The Saint', 'The Wild Country', etc.

BBC Radio London programmes for Friday, December 30, 1977. Includes shows like 'The Saint', 'The Wild Country', etc.

London Broadcasting programmes for Friday, December 30, 1977. Includes shows like 'The Saint', 'The Wild Country', etc.

Capital Radio programmes for Friday, December 30, 1977. Includes shows like 'The Saint', 'The Wild Country', etc.

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ENTERTAINMENT GUIDE continued. Lists various theatres and their programmes, including 'The Saint', 'The Wild Country', etc.

ENTERTAINMENT GUIDE IS CONTINUED ON PAGE 15

The Cinema in 1977

by NIGEL ANDREWS

Nineteen seventy-seven ended on a sad note. Charlie Chaplin died at the age of 88 and that formula phrase of obituaries "the end of an era" can for once be used with total conviction. There never was and there never will be any artist in the cinema like Chaplin. "Artist" to Chaplin-lovers will sound pompous. But how else can one describe a man who was the cinema's Master of all Trades—producer, director, writer, composer, performer? He was no all-encompassing in the sense of his appeal than in his skills. He pleased the public and the critics alike; the first cinema was a figure every child could laugh at, and with a slightly rebellious little satyr he never took "no" for an answer from a society foolishly not giving it to him; the cinema because he used the sum of cinema as expressive and inventively as anyone done in the history of film. Chaplin was on-screen and off-screen, he was the cinema's real god-father; never content when he was lazing around taking nips, those more pompous and ponderous of movement than himself. Authority was his name. Anyone who wore a uniform could be singled out for his practices; and "uniforms" did include any form of dress, from the policeman's suit of helmet to the *grande dame's* wig, which identified a king class. But there was never Chaplin's films anything so tame or combative that it

could be called a political "message", and it is still astonishing that America displayed in the early 1950's so much of a humourlessness as to read into a clown's workings of a socialist plot. Whether Chaplin himself ever recovered from the blow of exile, delivered in 1952, we do not know. Certainly his work did not. His last two films, *A King in New York* and *A Countess From Hong Kong*, are weary testimonies to his genius, harping almost fretfully on the theme of exile and displaying a sadness that lends the films a fatalistic air of resignation. Chaplin's will and should be best remembered for his most enduring creation, the bawdy, trawling, cane-twirling tramp; he of the trenchily mischievous grin, he who sided always with Us against Them, he who refused to surrender to the forces of Automation, Social Decorum, or any other faceless orthodoxy. Chaplin gave popularity—a world-wide popularity—to the artist's perennial message of free will and individualism. No film-maker ever accomplished a more important mission than this.

1977 gave us nothing else so momentous as Chaplin's death to commemorate. In Britain it has been a year of polite stagnation. Every branch of the film business has been making courteous and helpful noises about every other branch, and history mean-

while continues to pass the British cinema by. The film industry's Interim Action Committee has been sitting on its haunches for a year or so, dis- and/or spectacular special effects that reap the biggest rewards. *The Spy Who Loved Me* and *A Star Is Born* head this year's list of box-office successes in Britain; and the 1977 Top Ten also includes *A Bridge Too Far*, *King Kong* and *Airport 77*. One can hardly blame film-lovers outside London for retreating to the comfort of their television sets, whither most of the good films also have retreated. Londoners at least had the consolation this year of seeing several notable additions to the roster of independent cinema. The Covent Garden Cinema, the Camden Plaza and the Screen on the Hill all opened in 1977 and are offering us adventurous programming at reasonable prices. They also prove that the small "neighbourhood" cinema, if run with flair and individuality, can compete with the plush impersonality of the West End chains. A good local cinema, like a good local pub, can quickly run up its faithful band of regulars. The best three films of the year—*Padre Padrone*, *Annie Hall* and *Kings of the Road*—all made their appearance at independent cinemas, and in one instance at least (*Annie Hall*) flourished there so luxuriantly that major distributors began to think twice about treating such

cinemas merely places of honourable exile. As for the year's films in general, curios have been more in evidence than masterpieces. Any year that includes *Russ Meyer's Super Vixens*, Herzog's *Heart of Glass*, Altman's *Three Women*, Fellini's *Casanova* and Pasolini's *Solo* can be esteemed at best an interesting year, at worst one beneficially designed to have the critic scratching his mind and his vocabulary in the attempt to convey the sometimes un-conveyable. My waste-paper basket was littered with failed attempts to summarise the plot of *Three Women*, and how can one poor mortal critic translate into words the eerie, otherworldly beauty of Herzog's *Heart of Glass*? A critic is used to strange conjunctions of style and subject within the space of a single filmgoing day. But there has never been a year in which the sublime jostled quite so often with the ridiculous. Herzog's film came out in the same week as that extraordinary slice of kitsch *The Other Side of Midnight*. This was the '60s Hollywood people *rediscovers*; a film in which the rampant of human emotions was run through not simply during the course of the whole film, but in the space of each and every scene. It is difficult to communicate one's enjoyment of the film without appearing to sneer at it. But in an age when monsters, machines and special effects are storming the citadel of Hollywood, it is refreshing to find a film that waves, however eccentrically, a flag for human interest. Pasolini's *Solo* came and went in a mild blaze of controversy. The film was seized by the police on one of their anti-porn crusades and is still awaiting trial. So, of course, became used to the pattern of notoriety feet during the autumn, when it was open season for club cinemas and the police stomped through the land seizing any and every piece of celluloid they could get their hands on. I have already sounded off about censorship here in recent weeks, and although my interest in the subject is not exhausted, yours may be so I shall spare you further fulminations here. Finally, my ten best. Or rather, my desert island ten. The more time that one spends in the darkness of cinemas and preview theatres, the more elusive becomes the quest for "absolute standards by which a film may be pronounced good or bad. The first three films in the list I would valiantly try to defend by some kind of objective values—I not only like them but admire them—but the rest are quirky personal choices which attracted me as much for their faults as for their real or supposed virtues. Here they are, then, and a Happy New Year's filmgoing to all readers.



Gillian Burns, Marcus d'Amico, Michael Attwell and Roy Hudd

Albery

Oliver!

by B. A. YOUNG

A thousand times welcome is the return of Lionel Bart's musical to the Albery, with its wealth of singable tunes and its unbroken stream of exciting action. The new production uses the peripatetic timbers of Sean Kenny's 1960 designs, and the direction by Robin Midgley and Larry Oaks is closely modelled on Peter Coe's original. Anyone whose theatrical memories go that far back needs no further recommendation; those who have not seen such an *Oliver!* before have a revelation in front of them. I hope it will run another 2,618 days and remind the world that English musicals didn't end with *Chu Chin Chow*.

I haven't called it "miraculous" in a casual term of extreme praise. Lionel Bart's achievement is truly extraordinary. Though he had previously contributed songs to other shows, *Oliver!* was the first in which he had written book, lyrics and music, and it shows a professional skill one would have imagined could only proceed from long experience. The choice for plot of *Oliver Twist*, uniting the Dickensian loyalties of an older generation with the emergence of teenage-conscious-

ness, is itself a sign of an unusual theatrical acumen. The material is worked with almost operatic ability. The songs are full of characterisation; "As long as he needs me" could not have been sung by Fagin. "You've got to pick a pocket or two" would not have fitted Bill Sikes, however you altered the lyrics. There are duets and quartets and patter songs that are tuneful and entertaining and yet never lose their individual quality; and every song is a winner. Mr. Bart, aware of the truism that children can always steal a scene, has given us a score of them, heartwarming and untidy and unruly. (I wonder what happened to the rest of Fagin's songs? I hope Mr. Brownlow didn't adopt the lot and turn them into gentry.) *Oliver!* played on Wednesday by a diminutive urchin called Marcus d'Amico (who will alternate the part with Alan Younger) rebels his way from the stony gloom of the workhouse to the gaudy splendour of the underworld, and Fagin's homely thieves kitchen to ultimate respectability as Mr. Brownlow's long-lost grandson. Mr. d'Amico catches the affections throughout though first-

Düsseldorfer Schauspielhaus

Platonov

by RONALD HOLLOWAY

Somewhat like Bertolt Brecht's *Father-Fragment*, Anton Chekhov's *Platonov* appears to have been the source of several dramatic characterisations without the play ever taking life itself. The first record of a performance of the comedy was in the 1920s, long after the collection of 261 notes were found in a folder marked "Without Title". It was written when Chekhov was 20, but the author never found the opportunity to stage it during his student days.

New a full-length, three-and-a-half-hour production at the Dusseldorfer Schauspielhaus by Czech emigre Otomar Krejca, together with a new Soviet film appropriately titled *An unfinished Piece for a Player Piano* by Niki Mikhal'kov (premiere in Cannes, prizewinner in San Sebastian), allows for a reevaluation and study of Chekhovian theatre as a whole. *Platonov* was designed as an "encyclopedia of Russian life" in which the nobility, the bourgeoisie, and the lower classes mingle at a summer dacha on the first week-end of the season. More significant are the intricate family and social relationships: father and son, mother and son, brother and sister, widow of a general and a colonel, two capitalists and two student types, a doctor and a teacher, a minor civil servant and a wandering tramp, a philistine and an intellectual, the rich and the bankrupt and the poor.

One of the revealing moments is an idle chat on the subject of the Jew, which in its serious tone has more impact than the comical aspirations of a village tutor or a young, yearning widower. There are moments when we can see and feel the beginnings of *The Seagull* and *Uncle Vanya*.

Wigmore Hall

Howard Shelley

by DAVID MURRAY

The second evening of the Wigmore Hall Christmas/New Year Festival, Wednesday, brought Howard Shelley in an all-Chopin programme. Shelley's thorough musicianship and polished technique, always impressive in broadcasts, have sometimes in a few preludes—the wonderful buoyancy of the E-flat, the vicious treble swoops in the B-flat minor and the thudding menace of the G-sharp minor were all time and tidy; but there was breadth and sweetness in many others, and gleaming technical dispatch. Above all, Shelley very deliberately shaped the preludes into a single sequence, and the parts thereby gained as much as the whole.

Here and there in the Sonata, one wanted more brilliance in the treble and a lighter left hand, and in the Scherzo more animal vitality; the performance left a deep impression nonetheless. The poise and clarity of the opening movement were notable, and the mad *fini Presto* was rousing grace; the other, which makes the difference between live such a way as to place its basic structure in relief, without compromising its desperate onrush. Perhaps I have made too much of what Shelley admirably does not do: the point is that he pianistic splendours of the A-flat leaves no obtrusive fingerprints on the music, which is allowed to speak for itself with quite the concentrated variety of the unusual clarity.

Polonaise gave small suggestion of proud promulgating. The concentrated variety of the unusual clarity.



Woody Allen and Diane Keaton in 'Annie Hall'

Record Review

Three Centuries of Italian Opera

by ELIZABETH FORBES

contemporanei. L'amaro del tre re. Hoff, Domingo, Elvira, Stepi/LSO. Ambrosian Opera Chorus/Santi, RCA STU 71091 (2 records), £7.95

nel li trovatore. Sutherland, Borne, Pavarotti/Wixell, Ghiaurov/National Philharmonic Orchestra. London Opera Chorus/Bonyon. Decca DSD 2 (3 records), K52K 32 (cassettes), £12.95

marzo il matrimonio segreto. Ager, Varady, Hamari, Davies, Rindl, Fischer-Dieskau/ECOC/Barenboim. DG 2709 269 (3 records), £11.95

L'amaro del tre re. Italo Sammartini's third opera, recorded its first performance at Scala, Milan, in 1815 and was staged at the Metropolitan and Covent Garden the following year. The characters in Sammartini's libretto (based on his own verse drama) have a curious link with those of Meyerbeer's *Pelleas et Melisande*, *Archibaldo* (bass), blind King of Altura, immediately recalls

Arkel, the nearly blind King of Altomonde. But the emotional climate of Altura is much warmer than that of Altomonde, and Archibaldo's obsessive love for his son Manfred (baritone) and his equally fierce hatred of Manfred's wife, Flora (soprano), whom he correctly suspects of betraying her husband with Avito (tenor), does not sound in the least like former prince of Altura, the pale lily to which Flora compares him, but he does sound like a man passionately in love. Montemezzi's score has an overt sensuality that is most strongly expressed in the duets between Flora and Avito, which burns with an incandescent heat. Otherwise it is recaptured feelings for Flora descent fame. Archibaldo who dominates the opera, and whose music is the most original. On the RCA Ambrosian Opera Chorus in a recording the veteran Cesare Simeoni performs that does justice to Siepi gives a commanding performance to the beauty of his phrasing and is terrifying in the scene where Archibaldo throttles Flora and plans a trap to catch strident. The new Decca *Trovatore* her unknown lover, Anna Moffo, in better voice than on some many positive virtues and one of her more recent discs, makes defect that, though it is a fault

of omission rather than commission, nearly outweighs them all. To take the credit side first: excellent orchestral playing by the National Philharmonic gives a solid foundation to the performance; the London Opera Chorus sings with discipline as well as zeal; the smaller roles are sumptuously cast (Graham Clark as Ruiz, Norma Burrows as Inez and Peter Knapp as a Gypsy) while Nicolai Ghiaurov lends his magisterial tones to Ferrando. Moving up the vocal scale, Ingar Wixell makes a splendid Count di Luna; his singing of "Il balen" is not the most elegant on disc, but his characterisation of the music is both forcible and convincing. Luciano Pavarotti offers a forthright, uncomplicated performance as Archibaldo, the restraint of the subtlety to be found in the vocal line, but it is a pleasure to hear the actual notes so clearly sung. Marilyn Horne likewise gives considerable satisfaction as Azucena, the restraint of her interpretation balanced by the opulence of her voice in its lower register. Joan Sutherland sings much of Leonora's music with habitual accomplishment and more than habitual energy. In particular, the great chain of Act IV, scene 1—"D'amor sull' ali rosee" the Miserere. "Tu vedrai che amore in terra" and the duet with Di Luna is dramatically conceived and executed, while the deliberate speeds adopted by the conductor, Richard Bonyon, allow her time to articulate with unerring clarity.

Another advantage of this set is the inclusion of all the ballet music (written for the Paris production of 1857, four years after the opera's premiere) which is given a neat, lively performance. Elsewhere Mr. Bonyon paces the score in a way that is always thoughtful, never perfunctory, but—and here for me, is the near-fatal flaw—his reading, to put it crudely, lacks guts, and guts are above all necessary to the successful presentation of Verdi's middle-period operas. The sonata is splendid, full, forward and uncontented—the Gypsies Chorus could serve as a test record for Hi-Fi equipment.

Abundance of melody and a suitable by some opera great Verdi libretto based on the Colman/Garick comedy, *The Clandestine Marriage*, make *Il matrimonio segreto* an eminently suitable work for the gramophone. Among the chief glories of Cimarra's score are its many ensembles, and the strength of

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Janneau Armagnac is an ordinary French brandy like Pate de Foie Gras Truffe is an ordinary French sandwich-spread

Janneau Grand Armagnac Ordinaire it is not

EUROPEAN NEWS

Cabinet approves £250m. loans to Italy companies

BY PAUL BETTS

THE ITALIAN Government has approved a scheme for the reform of local finances. Italian local authorities are understood to have debts totalling about £40,000bn. (about £25bn.). The Government now proposes to allocate a maximum of £13,500bn. to local authorities on condition that they break even on current account next year.

Paris warns on Algerian relations

BY ROBERT MAUTHNER

FRANCE TO-NIGHT warned Algeria that normal relations between the two countries would be endangered if the anti-French campaign in the Government-controlled Algerian Press continued.

Spain to 'cut inflation in half'

Spain's Vice-Premier for Economic Affairs, Professor Enrique Fuentes Quintana, was quoted yesterday as saying he expected the country's 28 per cent inflation rate to drop by half next year, Reuter reports.

Cyprus imports move

The Cyprus Government yesterday tabled ordinary and development budgets for 1978 which between them provide for expenditure exceeding £15m. reports our Nicosia correspondent.

Cod field flows

Phillips Petroleum has started production from its Cod gas and condensate field in the Norwegian sector of the North Sea. It is Norway's fourth offshore field to go on stream.

DUBLIN'S ENERGY POLICY

The atom splits the Irish

BY GILES MERRITT

IRELAND WILL decide in the next few weeks whether to go nuclear. In Dublin the betting is that January will see the Government opting to build a 650 MW nuclear power station on the beauty spot of Carnore Point, in South Wexford. It is also expected to initiate a costly search for uranium deposits which may or may not exist in Ireland.

Ireland is a modest consumer of energy. But it imports 80 per cent of its fuel and demand is rising by 10 to 11 per cent a year. The Electricity Supply Board must double its generating capacity by 1984-86 if it is to cope.

even be the first of several if Ireland's needs are to be met and its dependence on oil reduced. Advocates of nuclear power expect hefty EEC grants to help finance its nuclear ambitions.

by the fact that nine UK nuclear reactors are "near a full Dali (Lower House) debate Ireland." and the National Council, an environmentalist pressure group, has become extra-sensitive to the point out that Wylfa, in Anglesey, which last March was the scene of a fire, is only 60 miles from Dublin.

Germans hail U.K. investment prospects

By Adrian Dicks

BRITAIN OFFERS West German business a climate highly favourable to investment, with official recognition of the role of a profitable and well-founded private sector.

The report predicts that as long as the present "positive economic and social course" is maintained, Britain can expect this imbalance to be corrected by an inflow of West German investment. It lists as the most attractive features of the country for investment:

- The Government recognises the importance of an efficient private sector of the economy.
● The market for West German goods is open to expansion.
● Wage costs are 40 per cent lower than in West Germany (calculated at the time of the delegation's visit in October).
● Profit margins are higher than in Germany.
● Considerable investment incentives are available in Germany.
● Export credit arrangements are more favourable than in Germany.
● Small and medium-sized companies are to be given special encouragements.

Belgrade budget

The Yugoslav Federal parliament has approved its 1978 plan and budget, Aleksandar Rankovic said in Belgrade.

AMERICAN NEWS

Candid Carter admits to mistakes in first year

BY DAVID BELL

WASHINGTON, Dec. 29.

PRESIDENT CARTER, at times seeming a trifle wistful near the end of his first year in office, conceded last night that it might be harder than he expected to balance the budget by 1981, just as it had been harder than he expected to persuade Congress to take action on a variety of domestic measures.

The President's first public admission that he cannot "guarantee" to balance the budget came in an hour-long interview with four correspondents on television. Among other things, he predicted a strategic arms agreement next year and that the Senate would ratify the Panama Canal treaty.

President starts tour in Poland

BY CHRISTOPHER BOBINSKI

WARSAW, Dec. 29.

PRESIDENT CARTER, who arrived here this evening for a 30-hour visit, set the tone for his stay with an airport speech, carried in full on the Polish TV news, in which he spoke of the "basic goals of world peace, justice, human rights and individual freedom."

The Presidential party, which includes the Secretary of State, Mr. Cyrus Vance, and the national security adviser, Dr. Zbigniew Brzezinski, was warmly welcomed by the Polish leader, Mr. Edward Giersek.

Companies disclose over-billings

BY DAVID BELL

WASHINGTON, Dec. 29.

MASSEY-FERGUSON Ltd. and British Consolidated Industries have disclosed "billions of dollars" in over-billings, and other questionable transactions by foreign subsidiaries, which may have violated foreign laws.

Venezuela to have deficit in balance of payments

BY JOSEPH MANN

CARACAS, Dec. 29.

VENEZUELA, the largest petroleum exporter in Latin America, will have for 1977 its first overall balance of payments deficit since 1967, and a shortfall of \$275m. in the central government's budget, according to official estimates.

Statistics published recently in a review of the national economy by the Central Bank, and data from other sources, indicate that the economy continues to grow at a steady pace. However, public debt has increased by 55 per cent, imports rose by an estimated 30 per cent, and government spending is outpacing revenue.

Although the Government feared early this year that its overall balance of payments for 1976 would be in the red, a final accounting showed a small surplus of \$42m. This was a far cry from a \$4.2bn. surplus in 1974 and a \$2.6bn. surplus in 1975.

Stevens loses again in court to union

By John Wyles

NEW YORK, Dec. 29.

J. P. STEVENS AND CO., second largest U.S. textile manufacturer, has suffered yet another legal defeat by the Text Workers' Union which is trying to organize the 44,000 workers at the company.

The Amalgamated Cloth and Textile Workers' Union, secured bargaining rights at a one-group of Stevens plants in Roanoke Rapids, North Carolina. But after three years negotiations, it has failed to reach a collective bargaining agreement.

Korean in bribe case to testify

SEoul, Dec. 29.

THE KOREAN businessman Tongsun Park, a key figure in connection with alleged bribes by Koreans of U.S. Congressmen, will go to Washington next week to give evidence under an agreement to be signed to-morrow.

Mr. Park, a wealthy oil broker formerly based in Washington, was indicted in August by a U.S. federal grand jury on charges of bribery, fraud, and tax evasion.

Chilean referendum put in doubt by junta split

BY ROBERT LINDLEY

BUENOS AIRES, Dec. 29.

DIFFERENCES of opinion within the four-member governing military junta in Chile have put in doubt the realisation of the plebiscite, due on Wednesday, on the recent condemnation by the UN of its activity in the field of human rights in the country.

Emerging from a meeting of the junta, the president, and Junta member General Augusto Pinochet, admitted a "disparity of opinion." Another Junta member, General Gustavo Leigh, the six force commander, has sent a letter to army General Pinochet mentioning the "unsuitability" of the "popular consultation" to which all Chileans are to be required to vote on whether they agree with the UN or not.

In his letter, General Leigh is said to have said that the plebiscite would raise "doubts and suspicions" affecting the armed forces' prestige. His point is reported to be that the armed forces in staging and controlling such a plebiscite, would be compromised.

The "Baltor" papers for the plebiscite have a Chilean flag by the space for a "yes" vote and a grey square for a "no" vote. The Comptroller General, Sr. Hector Humeres, has resigned because of the order for the plebiscite was signed by only one Junta member, Gen. Pinochet. If the plebiscite takes place, Chileans of 18 years of age will be required to vote "yes" or "no" on the following: "In the face of the international aggression unleashed against the Government of our fatherland, I support President Pinochet in his defence of the dignity of Chile."

OVERSEAS NEWS

Deadlock on minorities in Rhodesia peace talks

By Tony Hawkins
SALISBURY, Dec. 29. AFTER 31 hours of talks his afternoon, the Rhodesian government and three domestic nationalist parties appeared still to be deadlocked over the crucial issue of minority representation in an independent Zimbabwe.

Jordan rejects Begin plan

By RAMI G. KHOURI
AMMAN, Dec. 29. JORDAN has emphatically rejected the peace plan which the Israeli Premier Mr. Menachem Begin has proposed for the occupied West Bank and Gaza Strip.

Egypt continues attack on PLO leadership

By ROGER MATHEWS
CAIRO, Dec. 29. EGYPTIAN ATTACKS on the leadership of the Palestine Liberation Organisation continued unabated to-day, reflecting President Anwar Sadat's anger at its rejection of his peace initiatives.

West acts on Namibia

PRETORIA, Dec. 29. FIVE WESTERN nations acting as intermediaries between South Africa and Swapo have suggested a face-to-face encounter in New York between the two adversaries.

Thousands of Bhutto prisoners released

Pakistan's martial law Government said yesterday it has dropped charges and set free 11,109 prisoners who had been held on political grounds by former Prime Minister Bhutto's regime.

Australian economy

The Australian economy is stalled on the road to recovery, the Bank of New South Wales said in its December review.

Sri Lanka strike curb

The Sri Lanka Government has banned all strikes that are "politically motivated".

Tokyo budget rise

The Japanese Government has adopted a ¥34,280bn. general account budget for fiscal 1978, up 20.3 per cent from the original budget for this year.

NZ unions warned

Militant New Zealand unions have been warned by Prime Minister Robert Muldoon that he has "reached the end of the road".

CHINA'S LEADERSHIP

Potential for sharp divisions

By COLINA MacDOUGALL

WHEN CHAIRMAN Hua and since last August's party congress has brought in higher industrial wages, educational reforms, a keener search for foreign technology and a witch hunt for political opponents.

The first secretaries of Hupeh and Heilungkiang have recently vanished and earlier victims of the purge are under attack in much more specific terms.



Teng Hsiao-ping: blunt and acerbic.

Obviously all sides in Peking have prestige to gain from a show of unity. However, the rash of new appointments could conceal much underground manoeuvring.

Civilians 'fleeing Ethiopian shelling'

BESIEGED ETHIOPIAN forces are indiscriminately shelling rebel-occupied areas of the port city of Massawa and have forced the civilian population to flee.

Japan-China talks move

TOKYO, Dec. 29. PRIME MINISTER Takeo Fukuda is expected to authorise in early January the resumption of negotiations on Japan's long delayed treaty of peace and friendship with China.

ON OTHER PAGES
International Company News: Inflation accounting in South Africa 13
Farming and Raw Materials: India Fertiliser plans 15



Power by Parachute

This Bosch generator fell, quite literally, from the heavens. It was delivered by parachute, together with tents and other material, as part of a training exercise for the German Emergency Relief Service.

generators with sound-deadening cowls covers. Safety features to guard against the risk of faulty operation are built in.

"We were able to work round the clock and secure the dam only because we had sufficient light for the job. Our generator plant was operating non-stop", rescue workers from the Emergency Relief Service recalled.



WORLD TRADE NEWS

EEC hints at regulation of state steel subsidies

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT BRUSSELS, Dec. 29.

A BROAD hint that the European Commission's measures to strengthen the troubled EEC steel market may be accompanied by stricter surveillance of national aids to the steel industry has been given by the Industry Commissioner, Viscount Etienne Davignon.

He also said in a speech to the Consultative Committee of the European Coal and Steel Community that the Commission expects to have ready by next April the main elements of a longer-term programme for the sector, which would lay down 1985 production targets for major product categories.

These disclosures coincided with the publication of new EEC guidance prices for ten types of commonly-used steel products. The new prices, which will take effect on January 1, are on average 5 per cent higher than those set last July, though increases vary between categories.

Unlike the minimum prices for hot rolled coils, reinforcing bars and merchant bars, published yesterday, the guidance prices are voluntary and not backed by legal sanctions. Guidance prices have been set for the products covered by the minimum price scheme as well as for that plate, which was not previously included.

The Commission has postponed until to-morrow the public announcement of the details of its "base price" scheme for imports, designed to prevent EEC steel producers from being undercut by low-cost steel supplied by the Community.

The Commission has postponed until to-morrow the public announcement of the details of its "base price" scheme for imports, designed to prevent EEC steel producers from being undercut by low-cost steel supplied by the Community.

India signs Soviet trade pact

BY OUR OWN CORRESPONDENT NEW DELHI, Dec. 29.

INDO-SOVIET trade will rise to Rs.10,500bn. (about \$274m.) in 1978 from around Rs.9bn. (about \$247m.) this year, according to a trade protocol signed here at the conclusion of a visit by a Russian trade team.

The increase of 15 to 17 per cent in trade volume is accounted for by an additional 1.5m. tonnes of crude oil the Soviet Union will export to India and matching exports from India.

The protocol was initiated by Mr. M. A. Kiselev, of the Soviet Ministry of Foreign Trade and Soviet-assisted projects in India.

India will export non-traditional items like steel structures, batteries, garage equipment, hand tools, medical and surgical instruments, aluminium power cables, dry-core cables and electronic instruments in addition to traditional exports like tea, coffee, spices and cashew kernels.

Important additions to the list of export items are machinery and equipment manufactured by industries set up in India with Soviet assistance, such items will be worth Rs.90m.

London Chamber export finance panel

FINANCIAL TIMES REPORTER

THE London Chamber of Commerce and Industry is setting up an Export Finance Panel in an attempt to give industry a more effective voice in the current discussions about the finance of trade.

The Chairman of the Panel is to be Mr. Jim Rooke, former chief executive of the British Overseas Trade Board and now a director of Foods. Among the engineering companies supporting the panel are GKN, Babcock and Wilcox, JC Bamford Excavators, Massey Ferguson, Sigman Ferguson Pumps and the Breacham Group.

One of the main aspects of the panel's work will be to follow up the chamber's report on jumbo projects published earlier this year. A number of construction companies are therefore joining the panel including CFB, Balfour Beatty and Sirycon.

Scrapping increase aids tanker owners

BY FAY GJESTER OSLO, Dec. 29.

ALTHOUGH THE world's shipowners and shipbuilders are working aggressively to adapt to new market conditions created by the prolonged crisis, vast surplus capacity still exists both in the shipbuilding and shipowning sectors.

This is stated by the secretary of INTERTANKO (the International Association of Independent Tanker Owners which is based in Oslo) in a year-end survey of the world tanker market.

EXPORTING TO JAPAN Local springboard for Beecham

BY CHARLES SMITH IN TOKYO

EXPORTING TO Japan can be easier if you do it from somewhere close by rather than from somewhere far away (like Europe or the U.S.). This is a nutshell why Beecham Group, of the U.S. has become a major industrial investor in Singapore (the largest recent British investor) with its \$550m. semi-synthetic penicillin plant.

Located in the Jurong industrial estate west of Singapore city, the plant is one of four that Beecham has around the world. (The other three are in Belgium, the U.S. and at the Beecham headquarters in Worthing.) It sells half its output to the supposedly ultra-competitive, ultra-discriminating Japanese so successfully that the company expanded its original downstream production facility with a new upstream plant only three and a half years after beginning operations in 1972.

Beecham had three reasons for setting up shop in Singapore. It needed additional capacity to supply the growing world market for semi-synthetic penicillin (a product which Beecham invented in the late 50s but which is now produced by most of its competitors). Also it made sense to be near Japan, a promising customer, so that problems of quality control could be solved more easily than if the supply source was on the other side of the world.

Finally, Singapore had the most to offer among South-East Asian countries as a manufacturing base (with the possible exception of Hong Kong where land was prohibitively expensive).

Mr. R. P. Allen, managing director of Beecham Pharmaceuticals (Pte.), the group's wholly-owned Singapore subsidiary, says the five-year tax holiday, followed by another five years of 95 per cent tax remission, that Singapore accords to "pioneer" (for example high technology) investors was a big attraction.

Coupled with this was the "ability to own our own company" and remit 100 per cent of profits "we take high risks and we don't want to cut someone else in on the pay-off".

Almost as important was the "English environment" of Singapore (meaning a similar approach to accounting and legal problems) and good communications—it takes three minutes to phone London.

As a base for supplying Japan, Singapore had the advantages of cheap and negotiable air freight and Singaporeans are used to Japanese as well as British business methods. ("They are almost as meticulous in filling out forms as the Japanese themselves.") Finally there was ample skilled labour of the kind Beecham needed.

Singapore has a good supply of chemical engineers by virtue of its position as the second largest oil refining centre in Asia, so Beecham easily picked up the raw material needed to build its present highly skilled labour force. Beecham now employs about 500 workers of whom around 10 per cent are university graduates. The company has not been asked to "Singaporeanise" its management, but it has made sense to do so to the extent that the company secretary, chief engineer and chief personnel officer (among others) are all Singaporeans.

The Jurong plant exports almost 100 per cent of its output (the reason being that the Singapore Government prefers to buy penicillin for its own national health service from cheaper suppliers in Italy and eastern Europe). It sells about half to Japan, mainly in the form of raw materials for subsequent processing and packing by Japanese pharmaceutical companies.

Most of the remainder goes to Asia, Africa and the Middle East, with some orders finding their way to Europe. Mr. Allen will not disclose the company's share of the Japanese semi-synthetic market beyond describing it as "substantial" but pharmaceuticals are the second largest Singapore export to Japan and Beecham probably accounts for all of them.

Japan has a 10 per cent tariff on semi-synthetic penicillin but the Beecham product gets in free if it comes from Singapore because of the Japanese generalised system of preferences (a tariff preference scheme for manufacturers of goods produced in developing countries).

Most of the raw materials which Beecham ships into Singapore are also tariff-free, including penicillin G (the basic natural penicillin which is broken down into its nucleus form and then combined with new side-chains to produce the finished product).

Mr. Allen says he worries occasionally about Beecham's "over-exposure" in the event of trade problems between Japan and Singapore. He also stresses that Beecham does not want to trumpet its success too loudly—although the Singapore government, in search of further technology-oriented investment, would like it to do so. "Making money out of people being ill is something that calls for tactful presentation when it comes to public relations."

However, Beecham definitely is making money in Singapore and it is more than holding its own in the Japanese market—which executives at Jurong confirm to be the most fastidious and demanding in the world (as well as one where the company has to fight an almost continuous series of cases to protect its patents). The puzzle is why so few other European companies are doing the same.

Iran halts imports from Italy, Denmark

By Our Foreign Staff

THE SEMI-OFFICIAL Iranian Chamber of Commerce, Industry and Mines said yesterday that companies in the country had stopped trading with Denmark and Italy following attacks on Iranian diplomatic missions in both countries.

Anger at the leniency with which the attackers of the missions were treated was given as the reason for an indefinite suspension of purchases from these countries. In a statement to a local news agency in Tehran, the chamber said: "The responsible authorities in these countries did not show mutual consideration and regard for international diplomatic traditions. The attackers were not only not prosecuted, but set free."

While no mention was made of any incident involving the Iranian diplomatic mission in Italy, the Iranian Embassy Chancery in Copenhagen was invaded by Iranian students two weeks ago.

The Iranian Information Minister was quoted as saying later that the boycott of the two countries was a voluntary action by the companies belonging to the chamber and was not connected with the Government.

Hilary Barnes adds from Copenhagen: The Danish foreign Ministry yesterday confirmed statements by exporters that Iran has banned Danish imports by refusing to issue import licences.

Denmark's exports to Iran this year are worth about Kr.550m. (257m.), of which over half consist of agricultural products. Iran is Denmark's third largest market, of which it sells 18,000 tonnes worth Kr.275m. (225m.) a year.

The import ban began on December 22, according to Mr. Poul Laur-Jensen of the Agricultural Journal's Export Office. The Foreign Ministry has asked its ambassador to clarify the situation, but he is not expected to meet the authorities before the week-end.

UPI adds from Rome: The Italian Government said yesterday it has demanded an explanation about the reported Iranian trade boycott of Italy which it said would be "entirely incomprehensible." A Government news release said Italy had received no official notice of the boycott.

Tokyo further delays reply to U.S. on quotas

By Our Own Correspondent

TOKYO, Dec. 29. JAPAN HAS postponed its reply to the latest set of import liberalisation demands put to it by the U.S. until after the New Year holiday, it was announced today. A decision will "probably" be made by January 4 on whether or not to import increased quantities of beef, orange juice and citrus fruits as requested by Washington. It is quite possible that there may be further postponement.

The reason given for not meeting the deadline was that a mission from the Liberal Democratic Party is still in the U.S. explaining Japan's viewpoint on the liberalisation issue to U.S. politicians and testing their reactions. The Government wants to get a first-hand report from the mission before making a final decision.

The U.S. is demanding that Japan increase its import quota on quality beef for hotel consumption to 10,000 tons in the year 1978 and that it import 50,000 tons of citrus fruit in 1978. The latest position on these requests is that the Government can see its way to importing 3,000 tons of beef, but it would be hard put to make any concessions on juice imports.

TREND OF INDUSTRIAL PROFITS

Most company gains down slightly to average 27%

BY CHRISTINE MOIR

PROFIT TRENDS for the final group of companies reporting for the period between October last year and January this year differ only in minor detail from the earlier group whose statistics were published on June 24. In most cases, however, the adjustments have been downwards.

In the earlier group, first indications from nearly 400 industrial companies, for instance, were that trading profits had risen by 31.2 per cent.

The average for the 109 reporting this time is a 27.3 per cent increase, rather closer to the interim figure for companies reporting for the following period (January to April), of 28.2 per cent.

Return on capital is also slightly lower this time at 16.1 per cent, compared with 17.2 per cent. But in both cases there is a similar improvement over the previous year.

In the industrial sector, motor components continued to outstrip all other divisions, with a 192.7 per cent increase. This suggests that the 220 per cent improvement indicated earlier was not as affected as thought by the massive turnaround through British Leyland losses.

At this stage, obviously, there was no sign of the problems now affecting companies in this field, which had begun to bite by the January-April period chipping the profit improvement to 50.9 per cent.

The average improvement for industrials overall, but particularly from consumer durables, has also been held back by the poor performance from household goods, up a mere 4.4 per cent. Nevertheless consumer durables still managed to put on 80.2 per cent in trading terms.

On the retail front, stores are a noticeable laggard, with a 0.6 per cent drop. This is, however, several points better than the earlier table indicated.

Hire purchase, laggard in the financial sector, seems virtually unchanged at a barely visible 0.2 per cent improvement.

Within commodities, tea shows the major change in direction, producing a 128.2 per cent increase, compared with a 14 per cent drop in the interim table.

TREND OF INDUSTRIAL PROFITS ANALYSIS OF 707 COMPANIES

The Financial Times gives below the table of company profits and balance-sheet analysis. This covers the results (with the preceding year's comparison in brackets) of 707 companies whose account year ended in the period between October 15, 1976, and January 14, 1977, which published their reports up to the end of November, 1977. (Figures in £000.)

Table with columns: INDUSTRY, No. of Cos., Trading Profits, Profit before Int. & Tax, Pre-Tax Profits, Tax, Earnings for Ordinary Dividends, Ord. Dividends, Cash Flow, Net Capital Employed, and % Change. Rows include Building Materials, Contracting & Construction, Electricals, Engineering, Machine Tools, Misc. Capital Goods, Electronics, Household Goods, Motors & Components, Motor Distributors, Total Consumer Durable, Textiles, Breweries, Distilleries & Wineries, Hotels & Caterers, Leisure, Food Manufacturing, Food Retailing, Newspapers and Publishing, Packaging and Paper, Stores, Clothing and Footwear, Textiles, Tobacco, Toys and Games, Total Consumer Non-Durable, Chemicals, Office Equipment, Shipping, Misc. Industrial, Oils, Banks, Discount Houses, Hire Purchase, Insurance, Insurance Brokers, Investment Trusts, Property, Misc. Financial, Hobbies, Tea, Cattle, Miscellaneous Mining, and Overseas Traders.

NOTES ON COMPILATION OF THE TABLE. The classification follows closely that of the Institute and Faculty of Actuaries. Each has been adopted by the Stock Exchange Daily Official List. Col. 1 gives trading profits plus financial and other normal income property belonging to the financial year opened. The figure is given before charging depreciation, loan and other interest. Directors' emoluments and other items normally shown on the profit and loss account. Excluded are all exceptional or non-recurring items such as fire, earthquake, capital profits, unless the latter arise in the ordinary transaction of business. N.S. means non-subsidiary companies, including branch, nominee, holding, and foreign insurance and shipping companies (not exempted from disclosure in the accounts).

Col. 2 gives profits before interest and taxation that is to say profits after all charges except loan and other interest, but before deducting taxation provision and minority interests in the case of banks. Col. 3 shows the net cost of dividend payments (less foreign tax credits). Col. 4 shows the net cost of dividend payments (less foreign tax credits). Col. 5 shows the net cost of dividend payments (less foreign tax credits).

HOME NEWS

Big drop in output of oil refineries

By Ray Dafter, Energy Correspondent

THE PARLOUS state of the oil refinery industry is emphasised in two new reports on the energy industry. Refinery output of products during the period August to October was nearly 1.7m. tonnes or 7 per cent. lower than in the corresponding months last year, according to the Government's latest Energy Trends.

Plight

The economy's continuing depressed state, energy conservation measures and increasing competition from the gas industry are some of the causes for the oil industry's plight.

Latest oil industry statistics published by the brokers Fleming, Newton-Smith and Co., suggest that U.K. refinery utilisation in the third quarter fell to 59 per cent, as against 62 per cent in the second quarter.

The amount of gas sent out during the three-month period was 3.6bn. therms, 7.3 per cent higher than in the comparable period of 1976.

Total electricity supplied during the August-October period was 6.6 per cent, up on last year, while energy consumption as a whole—taken on a primary fuel input basis—rose 3.5 per cent during the period.

The seasonally-adjusted and temperature-corrected figures indicate that of the major fuels natural gas consumption and oil deliveries increased during the August to October period while the level of coal consumption remained stable.

The U.K. given £52m. loan for power station

By Roy Hodson

A £52m. loan has been made by the European Investment Bank towards the £360m. advanced gas-cooled reactor power station being built at Heysham, Lancs., by the Central Electricity Generating Board.

The loan made to the Electricity Council as the body responsible for finance, is for 15 years at 8.65 per cent.

One of three reactors being built in Britain, Heysham is due to start producing power for the national grid early in 1980. The bank has lent £316m. towards new investment in British energy projects out of total loans to Britain of £579m.

BANK RETURN

Table with columns for LIABILITIES and ASSETS, showing financial figures for various banks and institutions.

DECLINE IN TAX BURDEN LIKELY

BY OUR ECONOMICS CORRESPONDENT

SCOPE FOR a substantial decline in the tax burden during the next few years is indicated by an analysis of the likely trend of public sector borrowing by the stockbrokers Fleming, Newton-Smith and Co.

On the basis of present policies, the borrowing requirement in 1978-79 could drop to as low as £4bn., compared with the present official projection of £7bn. and an International Monetary Fund ceiling of £8.6bn., say the brokers.

SCHOOL LIFE 'WARFARE'

BY OUR ECONOMICS CORRESPONDENT

LIFE IN some schools resembles trench warfare, Mr Norman St. John-Stevens, Opposition Education spokesman, said yesterday.

From being the terrorists of Victorian schoolrooms, teachers have now in many cases become the terrorised, he told a conference of the National Association of Schoolmasters and Union of Women Teachers, in Birmingham. There should be a return to "firmer discipline and higher moral standards in schools," he said.

Start recommended on sea gas plan

BY RAY DAFTER, ENERGY CORRESPONDENT

AN OFFICIAL report on gas collection in the North Sea has recommended a start on the first stage of a pipeline network costing an estimated £250m.

The report, now being examined by Department of Energy ministers and officials, is believed to stress, however, that more time is needed to study the merits of a much bigger collection system.

It now seems almost certain that the Government will sanction the construction of an initial system based on the Frigg gas line, already in operation, and the Brent gas line now under construction.

This would involve building spur lines to link northern fields like Ninian and Murchie to the Brent system, and Piper and Tartan, among others, to the Frigg system. The Piper and Tartan links are already in the planning stage.

Pipelines (North Sea), a consultative company set up by the Government with both private and State-owned interests, has apparently accepted that a limited first stage project is necessary if oil companies are to avoid flaring or wasting natural gas.

However, the still-secret document is inconclusive about the need for a big gas gathering network, based on one or two gathering lines and perhaps costing £5bn.

The company has considered options including construction of a system to carry gas from both the U.K. and Norwegian sectors, an onshore trunk line and a cross-Channel link.

British Gas is known to have reservations about the viability of such an ambitious project and about the wisdom of constructing a pipeline to the Continent.

It has argued that the U.K. should aim at conserving North Sea gas reserves for as long as possible and is concerned that cross-Channel pipeline might encourage a faster rate of exploitation.

In deferring a recommendation about the need for a major gas gathering network, the consultative company may be attempting to buy time to obtain more agreement among its various members.

Apart from British Gas, the company includes the British National Oil Corporation, British Petroleum, Imperial Chemical Industries, Rio Tinto-Zinc and a French group comprising Total and Elf.

The Energy Department has given BP permission to drill a given BP production well on the Buchan Field. But the Department is withholding full development permission until it has completed its review of BP's plans for an early production system based on a converted semi-submersible rig.

Sea and Land Pipe Lines has been awarded a £7m. contract to build four production units for Shell/Esso's Cormorant A platform. The modules will be constructed at a yard where, at the height of the project, more than 400 workers will be employed.

Lord Robens fears fresh mistakes in energy policy

BY JOHN LLOYD

A WARNING that the recently reappointed Commission would repeat the mistakes made in energy policy in the 1960s came yesterday from Lord Robens of Woldingham, National Coal Board chairman from 1961 to 1971.

Lord Robens writes in the Board's quarterly journal, Coal and Energy: "Each energy industry is fundamentally concerned with its own future—not the collective advantage. The Low Energy Commission consists of all the people who will be thinking exactly as their predecessors thought in the sixties."

There should be "a powerful, independent energy commission, upon which will sit people who are completely independent of the energy industries themselves."

Representatives from the energy industries would be able to make submissions and to appear before the commission and give some oral evidence.

"But only people with no axe to grind, but only the national interest to serve, can actually produce an energy policy that makes sense."

Lord Robens' comments are made in the context of a review of a recent book, Coal on the Switchback, by Dr. Israel Berkovitch. He says that the review allows him to "lift the lid on his 10 years as Coal Board chairman."

The book demonstrated "how important and grievously wrong the Civil Service and their political masters" were on energy policy in the sixties.

The industry and the miners were "grossly misled" by repeated Government assurances that their output target would be 200m. tonnes a year.

Mr. Callaghan told him: "I could not find an official in the whole of the Treasury who would accept your argument (that coal production should not be run down)."

Mr. Anthony Wedgewood Benn, Energy Secretary, has appointed Mr. I. Wyn Pugh, a senior planning inspector at the Department of the Environment, to hold a public local inquiry into a Coal Board application to work an open-cast site at Tosterton, in Northumberland.

The site is expected to yield 1.5m. tonnes of steam coal over five years, but the application is being opposed by Northumberland County Council, some district councils, a number of landowners and individuals.

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ICI granted soda ash interim price rise

BY OUR CONSUMER AFFAIRS CORRESPONDENT

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Under the prices legislation, the Commission is obliged to allow a company an interim price rise during an investigation if a freeze would reduce profits beyond a certain level.

ICI said yesterday that it was still convinced that its original intention of raising soda ash prices by 5 per cent was fully justified. The Commission may agree when it has completed its three-month investigation or it may peg prices for up to a year.

The Commission has submitted its first completed report about Central Electricity Generating Board prices to Mr. Roy Hattersley, the Prices Secretary, but it is not expected to be published for at least ten days.

Mr. Lynch rejects six-county change in constitution

BY GILES MERRITT

A PROPOSAL that Ireland's constitution should be amended by the British Government of its interest in moving forward by six counties of Ulster was rejected yesterday by Mr. Jack Lynch, Prime Minister.

A new or substantially amended constitution would make no significant contribution to the Northern Ireland problem, he said.

Mr. Lynch's view that the Irish constitution continues to be a satisfactory one was expressed in an interview with the Irish Times newspaper to mark the 40th anniversary of the constitution.

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Pay rise of 14% for some journalists

SOME JOURNALISTS on provincial newspapers are to receive a 14 per cent pay increase from next month. A deal has been concluded between the Newspaper Society and the Institute of Journalists.

In a total settlement for 800 institute members in the province the employers are adding only 10 per cent to the wages bill.

The agreement with the institute comes as the National Union of Journalists considers a similar offer for about 5,000 of its members also working on provincial papers.

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Mr. Terry Parry (left), general secretary of the Fire Brigades Union, and Mr. Wilf Barber, president, arriving at yesterday's executive meeting in London at which it was decided to seek a meeting with the Prime Minister and the employers in an effort to resolve the eight-week-old strike by firemen over pay.

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BY OUR CONSUMER AFFAIRS CORRESPONDENT

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Tide has turned against terrorists, says Mason

BY RICHARD EVANS, LOBBY EDITOR

THE TIDE has turned against Northern Ireland has much to offer both.

Mr. Mason said that he was keen to see changes in the political structure of Northern Ireland to give people more say in the running of their own affairs, but this depended on local parties.

The pace of political change depends on their willingness to work together. I can suggest or encourage but I am not here to impose solutions.

The Government's aim was a devolved administration—but it would need understanding and the common sense to make this a reality.

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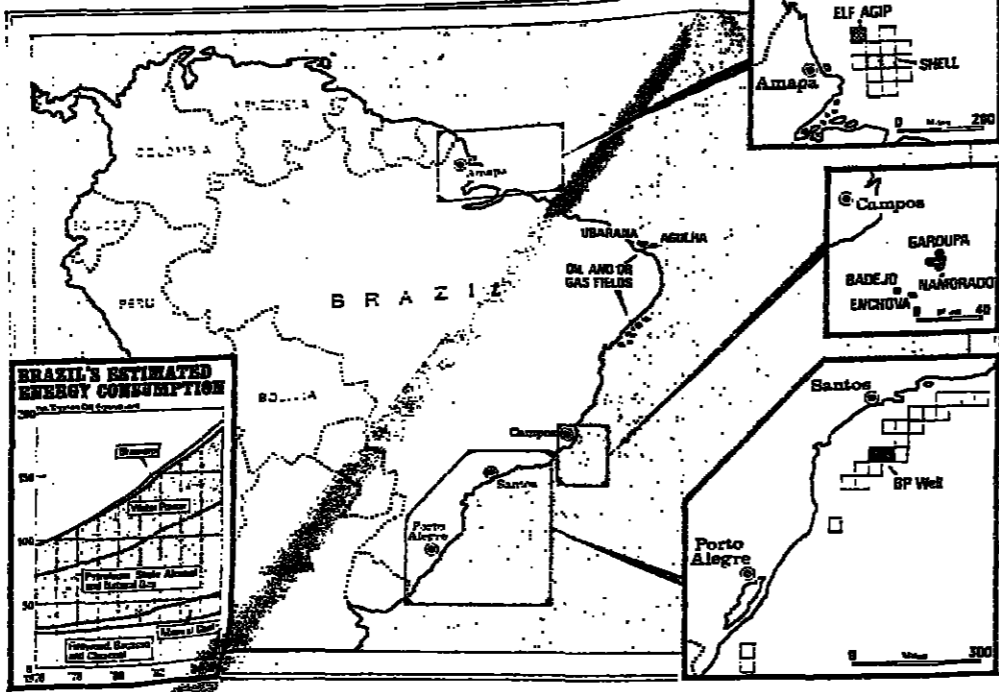
More use cycles or walk, says survey

THE LONG-TERM decline in the use of public transport continued through the middle seventies, according to the British Road Federation's preliminary analysis of the Government's latest national travel statistics.

However, while the use of cars for journeys of a mile or more went up 4 per cent, the increase in

OFFSHORE OIL REVIEW: BRAZIL

BRITISH PETROLEUM'S recently increased stake in Brazilian offshore exploration can be looked at in two ways. The oil company has inferred that there is significant potential in that part of the South Atlantic, particularly as it has been prepared to accept some fairly onerous "risk contract" conditions. On the other hand the Brazilian Government has shown again that it has accepted that it needs foreign participation if it is to evaluate fully and exploit its reserves. Both viewpoints are valid.



When it comes to energy, Brazil has its back against the wall. Primary energy consumption in the past decade has been growing at an annual rate of 8 per cent, forcing the country to adopt nuclear power much sooner than it might have wished and faster than many other countries would have liked. Brazil has a large amount of untapped hydro-electricity capacity, but so serious is its energy plight that it has set itself the seemingly impossible task of harnessing the whole of this potential water power by AD 2000. To ease out its supplies of fossil fuels Brazil is beginning to add alcohol produced from sugar to its petrol. It is thought that the proportion can be raised to 20 per cent without any modification to engines. Against this background, Petrobras, the state oil company, is coming under considerable Government pressure to find and exploit new oil reserves. For Petrobras depends on oil for 40 per cent of its power and is faced with the production fact that oil imports have been running at a total of \$8.5bn. in 1977 and \$9.5bn. in 1978. The Government's effort only will be reduced. Production from Brazil's oil fields has dropped by about 3 per cent in the past year or so. However, offshore production only accounted this fall; Brazil's total oil production in the first 11 months of this year dropped by less than 4 per cent to 33.7m. barrels. Petrobras is important in both economic and political terms. It has earmarked an expenditure of \$1.18bn. for the

matt at Ardresier is constructing a 10m. platform for another Campos field, Namorado, under an earlier credit line extended by Lloyds International. It is expected to be completed next summer. During his visit in May, St. Geil said that Petrobras would be placing a further order "which could go to Scotland" within 30 to 60 days. Following the visit, however, the reserves for the Budejo field, for which the structure was intended, have been downgraded.

Set-back
A number of other U.K. companies are working offshore Brazil. CIE Offshore is providing design and project management services for Petrobras in the Campos fields; and Star Offshore has its Star Arcturus diving support vessel working in the Garoupa field. The development of this important field suffered a set-back in October when a loading tower sank while being towed from a construction yard in the state of Rio de Janeiro. Petrobras is now hoping to bring the field on-stream in March with an initial production of 43,000 b/d.

Garoupa oil will be exploited through a provisional production system based on nine Lockheed sub-sea well units. Eventually production from the field, which could have recoverable reserves of around 600m. barrels, will be enhanced by the installation of a steel platform being constructed by the Brazilian affiliate of Montreal Engineering in association with Italian partners, Micoperi. The two companies are also building a steel platform for the Budejo field. Such a co-operative venture is likely to set the pattern for future foreign participation in spite of General Geisel's concession. Petrobras is likely to want at least some Brazilian content in its contracts.

This point is stressed by the Offshore Supplies Office of Britain's Department of Energy. OSO has told the British Module Constructors' Association that Petrobras might order 20 platform equipment units towards the end of 1978. Though the bulk of this work would be contracted for Brazil, but local companies would be seeking suitable

BY RAY DAFTER

APPOINTMENTS

Group changes at Shell

Mr. C. H. Fairclough, a director of SHELL U.K. and managing director of Shell Chemicals U.K., has been appointed a managing director of Shell U.K. with responsibility for chemicals. Mr. W. C. Thomson, chairman of Shell Chemicals U.K. and a director of Shell International Chemical Company, has been appointed a director of Shell U.K. Mr. A. G. Gummer, managing director of Shell U.K. from Royal Dutch/Shell Group Service.

Mr. D. Furd becomes directors of Sedgwick Forbes Overseas and Mr. J. G. Stephens is elected a director of Sedgwick Forbes Reinsurance Brokers.

Mr. Alan Cox and Mr. Justus Doherty will become joint managing directors of the FINANCIAL TIMES from January 1 but will maintain all their existing responsibilities.

Mr. Archie M. Ross has become joint managing director while Mr. R. J. Underwood becomes deputy managing director of DENHOLM SEED MANAGEMENT. Mr. W. Little and Mr. F. J. F. Henderson take up new appointments as directors.

Mr. Reg Conway has been appointed to the Board of BRITISH RELAY (ELECTRONICS) as general manager. He succeeds Mr. D. A. Woodhead who has retired as general manager but will continue to serve as a consultant to the company. Mr. Conway previously managed his own company, Conway Consultancy. In addition, Mr. F. L. E. Jones has been made commercial manager.

The following have been appointed directors of WILLIS TOWERS WATSON: Mr. E. D. F. K. Carroll; Mr. H. Dymally; Mr. G. W. Perkins; Mr. R. M. Smith; Mr. J. M. P. Taylor; Mr. D. R. Towler and Mr. R. J. White.

HOME CONTRACTS £2.5m. road works for Balfour

BALFOUR BEATTY CONSTRUCTION (SCOTLAND) has received a contract worth £2.5m. from the Scottish Development Department, for construction of roads and bridge works on stage of the Dundee Kingsway improvement scheme on the Perth-Aberdeen-Inverness trunk road. Work is scheduled to start early next month.

HADEN YOUNG, part of the Haden Carrier Group, has won a contract at London's Gatwick Airport from the British Airports Authority. It involves extending the existing boiler plant and providing further underground site mains and services to two new cargo sheds. Haden Young has recently completed a contract worth £5m. for the installation of private automatic branch exchange (PABX) telephone equipment. These were among contracts won from September to November, 1977, by Crane, Mr. N. O. Daniels, Mr. D. L. TR and include installations for Mahoney and Mr. K. G. Roberts. Sedgwick Forbes North America are appointed directors of Bristly, National Coal Board and the Open in addition Mr. E. A. Damper.

BOND DRAWING

EUROPEAN COAL AND STEEL COMMUNITY
5½% 1966/1986 U.A. 20,000,000 Bonds for the amount of U.S. \$90,000,000 have been drawn for redemption in the presence of a Notary Public on December 15, 1977.

Bonds of nominal U.S. \$1,000 (975) £111 to £133 incl., 1,380 to 1,507 incl., 1,509 to 1,511 incl., 1,513 incl., 1,515 to 1,589 incl., 1,591 to 2,004 incl., 2,006 incl., 2,008 to 2,101 incl., 2,103 to 2,259 incl., 2,261 to 2,413 incl., 2,415 to 2,519 incl., 2,521 to 2,594 incl., 2,596 to 2,810 incl., 2,812 to 2,900 incl., 2,902 to 2,946 incl., 2,948 to 3,355 incl., 3,357 to 2,364 incl., 2,371 to 2,400 incl., 2,412 to 2,431 incl.

LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court In the Matter of No. 00383 of 1977 CADILCO LIMITED, No. 00384 of 1977 GARDAI LIMITED, No. 00385 of 1977 GARDAI LIMITED, No. 00386 of 1977 NASHVILLE PROPERTIES LIMITED and in the Matter of The Companies Act, 1968.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Companies by the High Court of Justice was presented on the 28th day of November, 1977, to the said Court by the Petitioner, presented to the said Court by the name of the Petitioner, as set out in the Petition, and that the said Petition is now ready for hearing on the 27th day of January, 1978, at 10.30 a.m. at the Royal Courts of Justice, Strand, London W.C.2. All persons who are creditors or contributory of the said Companies desiring to support or oppose the making of an Order of the said Court in relation to the said Petition must appear at the time of hearing, in person or by their counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Companies requiring such copy on payment of the regulated charge for the same.

LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court In the Matter of No. 00387 of 1977 DANIELS BETTANY LIMITED and in the Matter of The Companies Act, 1968.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was presented on the 27th day of December, 1977, to the said Court by the Petitioner, presented to the said Court by the name of the Petitioner, as set out in the Petition, and that the said Petition is now ready for hearing on the 27th day of January, 1978, at 10.30 a.m. at the Royal Courts of Justice, Strand, London W.C.2. All persons who are creditors or contributory of the said Company desiring to support or oppose the making of an Order of the said Court in relation to the said Petition must appear at the time of hearing, in person or by their counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court In the Matter of No. 00414 of 1977 ASSURANCE SELECTION COMPANY LTD and in the Matter of The Companies Act, 1968.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was presented on the 21st day of December, 1977, to the said Court by the Petitioner, presented to the said Court by the name of the Petitioner, as set out in the Petition, and that the said Petition is now ready for hearing on the 27th day of January, 1978, at 10.30 a.m. at the Royal Courts of Justice, Strand, London W.C.2. All persons who are creditors or contributory of the said Company desiring to support or oppose the making of an Order of the said Court in relation to the said Petition must appear at the time of hearing, in person or by their counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

TREASURY DEPARTMENT

ARGENTINE GOVERNMENT OIL FIELDS

YACIMENTOS PETROLIFEROS FISCALES SOCIEDAD DEL ESTADO REPUBLIC OF ARGENTINA

INTERNATIONAL PUBLIC TENDER NRO 05-1-77

BUYING OF FOUR NEW TANK VESSELS, UNUSED, TO TRANSPORT CRUDE OIL.
Deadweight: 30,000 to 35,000 tonnes approximately.
Draught moulded designed: 36' plus/milims 2".
Breadth moulded maximum: 30 m.
Length overall maximum: 215 m.

Tender will be opened on January 18, 1978, at 14.30 p.m. in our headquarters, sited in Avenida Roque Saenz Pella 777 (13th floor), Buenos Aires, Argentina, and simultaneously in our commercial and technical office in Houston (Texas), Richmond Building, Suite 710, 3616 Richmond Avenue, Houston, Texas (U.S.A.), at 11.30 a.m.

Cost of tender conditions: \$US 2,000.
All questions and the selling must be made in the above mentioned offices in working dates and hours.
Offers for this tender will be received up to January 17, 1978, at 3.30 p.m. Houston time.

LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court In the Matter of No. 00388 of 1977 CLAPHAM LIMITED and in the Matter of The Companies Act, 1968.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was presented on the 22nd day of December, 1977, to the said Court by the Petitioner, presented to the said Court by the name of the Petitioner, as set out in the Petition, and that the said Petition is now ready for hearing on the 27th day of January, 1978, at 10.30 a.m. at the Royal Courts of Justice, Strand, London W.C.2. All persons who are creditors or contributory of the said Company desiring to support or oppose the making of an Order of the said Court in relation to the said Petition must appear at the time of hearing, in person or by their counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court In the Matter of No. 00389 of 1977 CLAPHAM LIMITED and in the Matter of The Companies Act, 1968.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was presented on the 22nd day of December, 1977, to the said Court by the Petitioner, presented to the said Court by the name of the Petitioner, as set out in the Petition, and that the said Petition is now ready for hearing on the 27th day of January, 1978, at 10.30 a.m. at the Royal Courts of Justice, Strand, London W.C.2. All persons who are creditors or contributory of the said Company desiring to support or oppose the making of an Order of the said Court in relation to the said Petition must appear at the time of hearing, in person or by their counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court In the Matter of No. 00390 of 1977 CLAPHAM LIMITED and in the Matter of The Companies Act, 1968.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was presented on the 22nd day of December, 1977, to the said Court by the Petitioner, presented to the said Court by the name of the Petitioner, as set out in the Petition, and that the said Petition is now ready for hearing on the 27th day of January, 1978, at 10.30 a.m. at the Royal Courts of Justice, Strand, London W.C.2. All persons who are creditors or contributory of the said Company desiring to support or oppose the making of an Order of the said Court in relation to the said Petition must appear at the time of hearing, in person or by their counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court In the Matter of No. 00415 of 1977 ASSURANCE SELECTION COMPANY LTD and in the Matter of The Companies Act, 1968.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was presented on the 21st day of December, 1977, to the said Court by the Petitioner, presented to the said Court by the name of the Petitioner, as set out in the Petition, and that the said Petition is now ready for hearing on the 27th day of January, 1978, at 10.30 a.m. at the Royal Courts of Justice, Strand, London W.C.2. All persons who are creditors or contributory of the said Company desiring to support or oppose the making of an Order of the said Court in relation to the said Petition must appear at the time of hearing, in person or by their counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

BOND DRAWING

REPUBLIC OF AUSTRIA
6% Bonds 1979/84
S. G. WARBURG & CO. LTD., announce that the redemption instalment of U.S. \$1,200,000 due 31st January, 1978 has been met by purchases in the market to the nominal value of U.S. \$626,000 by a drawing of Bonds to the nominal value of U.S. \$674,000.

18809	16647	16648	16649	16650	16651	16652	16653	16654	16655	16656	16657	16658	16659	16660	16661	16662	16663	16664	16665	16666	16667	16668	16669	16670	16671	16672	16673	16674	16675	16676	16677	16678	16679	16680	16681	16682	16683	16684	16685	16686	16687	16688	16689	16690	16691	16692	16693	16694	16695	16696	16697	16698	16699	16700	16701	16702	16703	16704	16705	16706	16707	16708	16709	16710	16711	16712	16713	16714	16715	16716	16717	16718	16719	16720	16721	16722	16723	16724	16725	16726	16727	16728	16729	16730	16731	16732	16733	16734	16735	16736	16737	16738	16739	16740	16741	16742	16743	16744	16745	16746	16747	16748	16749	16750	16751	16752	16753	16754	16755	16756	16757	16758	16759	16760	16761	16762	16763	16764	16765	16766	16767	16768	16769	16770	16771	16772	16773	16774	16775	16776	16777	16778	16779	16780	16781	16782	16783	16784	16785	16786	16787	16788	16789	16790	16791	16792	16793	16794	16795	16796	16797	16798	16799	16800
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On 31st January, 1978 there will become due and payable upon each Bond drawn for redemption, the principal amount thereof together with accrued interest to said date at the office of—
S. G. WARBURG & CO. LTD.
30, Gresham Street, London, EC2P 2EB.
Interest will cease to accrue on the Bonds called for redemption on and after 31st January, 1978 and Bonds so presented for payment must have attached all coupons maturing at said date.
U.S. \$7,200,000 nominal amount will remain outstanding after 31st January, 1978.
30, Gresham Street, London, EC2P 2EB.
30th December 1977

LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court In the Matter of No. 00391 of 1977 CLAPHAM LIMITED and in the Matter of The Companies Act, 1968.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was presented on the 22nd day of December, 1977, to the said Court by the Petitioner, presented to the said Court by the name of the Petitioner, as set out in the Petition, and that the said Petition is now ready for hearing on the 27th day of January, 1978, at 10.30 a.m. at the Royal Courts of Justice, Strand, London W.C.2. All persons who are creditors or contributory of the said Company desiring to support or oppose the making of an Order of the said Court in relation to the said Petition must appear at the time of hearing, in person or by their counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court In the Matter of No. 00392 of 1977 CLAPHAM LIMITED and in the Matter of The Companies Act, 1968.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was presented on the 22nd day of December, 1977, to the said Court by the Petitioner, presented to the said Court by the name of the Petitioner, as set out in the Petition, and that the said Petition is now ready for hearing on the 27th day of January, 1978, at 10.30 a.m. at the Royal Courts of Justice, Strand, London W.C.2. All persons who are creditors or contributory of the said Company desiring to support or oppose the making of an Order of the said Court in relation to the said Petition must appear at the time of hearing, in person or by their counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court In the Matter of No. 00416 of 1977 ASSURANCE SELECTION COMPANY LTD and in the Matter of The Companies Act, 1968.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was presented on the 21st day of December, 1977, to the said Court by the Petitioner, presented to the said Court by the name of the Petitioner, as set out in the Petition, and that the said Petition is now ready for hearing on the 27th day of January, 1978, at 10.30 a.m. at the Royal Courts of Justice, Strand, London W.C.2. All persons who are creditors or contributory of the said Company desiring to support or oppose the making of an Order of the said Court in relation to the said Petition must appear at the time of hearing, in person or by their counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court In the Matter of No. 00417 of 1977 ASSURANCE SELECTION COMPANY LTD and in the Matter of The Companies Act, 1968.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was presented on the 21st day of December, 1977, to the said Court by the Petitioner, presented to the said Court by the name of the Petitioner, as set out in the Petition, and that the said Petition is now ready for hearing on the 27th day of January, 1978, at 10.30 a.m. at the Royal Courts of Justice, Strand, London W.C.2. All persons who are creditors or contributory of the said Company desiring to support or oppose the making of an Order of the said Court in relation to the said Petition must appear at the time of hearing, in person or by their counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court In the Matter of No. 00418 of 1977 ASSURANCE SELECTION COMPANY LTD and in the Matter of The Companies Act, 1968.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was presented on the 21st day of December, 1977, to the said Court by the Petitioner, presented to the said Court by the name of the Petitioner, as set out in the Petition, and that the said Petition is now ready for hearing on the 27th day of January, 1978, at 10.30 a.m. at the Royal Courts of Justice, Strand, London W.C.2. All persons who are creditors or contributory of the said Company desiring to support or oppose the making of an Order of the said Court in relation to the said Petition must appear at the time of hearing, in person or by their counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

DECCA LIMITED
NOTICE IS HEREBY GIVEN that the transfer books of the 6% Unsecured Loan Stock will be closed from 7.30 to 10.30 January, 1978, for the preparation of interest warrants payable on 31st January, 1978.
By Order of the Board,
Decca House, 1, Spalding, Secretary,
9, Abchurch Lane,
London EC4A 3DF, December, 1977.

Handwritten signature and date: J. P. 1/30

Sue Cameron on why the youthful head of Perkins Engines is retiring tomorrow

A 'second life' at 50

PETER WRIGHT, chairman and managing director of the Perkins Engines Group, decided when he was 34 that he would retire at 50 and start a second life. He has beaten his deadline by a year but says he has not to work hard to fulfil his ideal career ambitions within a limit.

concentrate on some longstanding hobby or interest—is not among them. He likes shooting and he might try sheep farming instead. He is still not certain. And he is not even sure that he will be able to afford to buy a farm at all.



Peter Wright

being a man with a low boredom threshold. He reckons a Mediterranean villa would become tedious "after the first ten minutes". In his second life, he is hoping to take on some non-executive directorships. But he stresses that he will not be the kind of non-executive director who confines himself "to turning up for meetings every three months."

Why pressure is falling in the executive drain

By Nicholas Leslie

SENIOR managers in the U.K. are no longer being enticed overseas in increasing numbers by such prospects as low taxation and high pay, according to a survey to be published next week.

Mergers—a riposte

By Gay and Geoff Meeks

THE THEM of the recent book of one of us, discussing government policy towards the merger of quoted companies, tends to be the general form of attack: the universal indictment of a merger which the book is said to make, on the grounds that a verdict is but shakily based on a limited set of statistics. Specifically, this shakiness is alleged on three separate grounds. The first is that the statistics themselves (on profitability) relate only to a misleading sample of companies. The second is that it is a mistake to attribute the post-merger profitability changes typically recorded for companies included in the study to the impact of the merger itself. The third, and most serious, criticism is that there may have been other factors at work that have caused such changes to occur. And thirdly, the book is said to show no improvement in profitability after merger, still less that other benefits may be derived from mergers that are not in the mere consolidation of profit and loss.

justice to the book nor, as has been suggested, challenge the wisdom of the policy changes heralded by the Prime Minister and now to be considered in depth by the team announced by Mr. Hattersley. Messrs. Adamson and Pratten (this page, November 25) are among those who make the charge that the criteria for a company's inclusion in the study are too restrictive and lead to distortion. They state that "the largest companies are often excluded from Dr. Meeks' data since they are usually multiple acquirers... [companies which] do not try [merger] again, are the only ones considered." But this is incorrect. Multiple acquirers are included in the book's investigation (see "Disappointing Marriage..." [DM], p.18). The only restrictions on frequent acquirers are that, for consistency, attention is limited to their first merger of the period and that, so as to ensure an adequate reference period, an initial three-year spell free from merger is required. It seems unlikely that these limitations will have biased the result, for the frenetic acquirers had already been the subject of a

The method, often overlooked by critics, is to adjust the amalgamation's profitability record against changes in the fortunes of the participants' industry, changes which may be associated, for instance, with cyclical factors or trend movements (see DM, p. 15). On this basis only declines in profitability greater than those experienced by the industry are attributed to merger. Moreover, adjustment is also made for the downward bias in profitability which can be imparted by some accounting procedures that are used by merging companies (see DM, p. 68).

circumstances—and failing any proof of another saving grace—surely the doubts over competition must now win the day, given the evidence of the book, and of previous studies by Newbold, Singh, Sutherland and Urton, that efficiency gains are not, after all, a typical outcome of merger? Last but not least, the book does not recommend a blanket hostility towards the merger of quoted companies, as critics have tended to suppose. Rather, it argues that the best of both worlds might be achieved by sanctioning just those marriages which promise non-trivial social gains. Similarly, in his recent hint of policy change, the Prime Minister insisted that "some mergers are good and they should be supported." For the "good" merger, then, what would there be to fear?

Technical News

PROCESSED BY ARTHUR BENNETT AND TED SCHOETERS Vithstands highly corrosive acids KER OF products in fluorocarbon, Engiplas, has built a large reactor for chemical testing using Tetrafluoroethylene for the whole of the distillation column.

RETAILING Basic Four for big store HARRODS of Knightsbridge, one of the world's famous stores, has installed a Basic Four business system to handle stock control and management information applications.

HORTICULTURE Transplants no problem PATENTED, an idea which is likely to permit the wholesale nurserymen to operate all the year round, however hot and dry the weather, could make the planting of quite large trees and shrubs into a simple mechanical operation following which there would be a minimum of supervision—such as that involved where new plantations have to be irrigated.

METALWORKING Computerised small lathe TWO UNUSUAL aspects of a numerically controlled lathe from West Germany are the 60 deg. sloping bed for easy access, and swarf removal, usually found only on larger machines, and the integral control panel mounted on the headstock, instead of the normal free-standing console.

COMPONENTS High flow filter BEAUVY DUTY filtration in the oil industry Serck developed the Hiprefilter, and advantages are high pressure at low capital and running cost.

PERIPHERALS Printer can edit A 30 character per second matrix printer/terminal with 8000 (or 4000) characters memory recently announced by Extel offers data preparation and editing facilities comparable with those found in many crt-based visual display units.

MACHINE TOOLS Discussion of spark machine ELECTRO-DISCHARGE machining (EDM) is being discussed at a seminar on the subject of "Sparking" to be held at the Machine Tool Industry Research Association, Macclesfield on March 15, 1978.

Pressings cleaned at high speed TIME SPENT in final finishing of metal pressings at G and S Lees Pressing, proved a major drag on the company's manufacturing rate and finishing operations became totally cost ineffective on larger orders.

INSTRUMENTS Safe level controller PRINCIPALLY safe, an electronic level controller has remote diagnosis and indication and is suitable for liquids and granular materials.

PACKAGING Protection from damp CORRUGATED containers designed to protect chemicals in wet conditions have been jointly designed and developed by J. and H. Corrugated Cases and Fisons Agrochemical Division.

ELECTRONICS Oven knows when food is ready HITACHI has introduced to the U.S. market a microwave oven that turns itself off without a timer or temperature probe when it "senses" that the food inside it has finished cooking.

SAFETY Protects the driver A NEW American rapid transit railroads, and the composite glass/acrylic windshield gives protection against very severe impacts: under test, the windshield withstood a blow from a five-pound steel ball at 70 m.p.h.

electrical wire & cable? ANIXER Thousands of cables and wires in stock. No minimum order. A minimum length London 01-561 8118 Aberdeen (0224) 323551/2

More benign neglect

MR. HENRY WALLICH, a governor of the U.S. Federal Reserve, delivered a speech on Wednesday in which he claimed that the foreign exchange markets were suffering from "uncertainties and erroneous perceptions" and denied strongly that the U.S. was conducting a policy of benign neglect in relation to the exchange value of the dollar. It is doubtful whether a speech of this kind would have had much influence on the markets at the best of times. It had none at all on a day when the Administration announced its decision not to renew the contract of the Federal Reserve chairman, Dr. Arthur Burns, when it expires at the end of January. Yesterday the dollar was again weak against all leading currencies.

Whether or not the market reaction was right, it is readily understandable. A number of President Carter's advisers have been anxious for some time past that Dr. Burns should be replaced by somebody ready to put more emphasis on the importance of economic growth and less on the importance of keeping inflation under control. Dr. Burns, for his part, has been outspoken in defending his policies, has criticised the Administration openly and openly insisted that the Federal Reserve should remain free to operate independently. He has therefore become something of a symbol, and his removal will be widely interpreted as a partial rejection of the policies with which he was identified.

Independence

This is the more probable since his successor, Mr. William Miller, has relatively little experience of banking and has already expressed the view that there should be greater harmony between the policies of the Administration and the Federal Reserve. It is true that Dr. Burns has said kind things about Mr. Miller. It is obviously desirable that fiscal and monetary policy should pull in the same direction, if it is the right direction. Yet the U.S. is running and looks like continuing to run a very large balance of payments deficit. This is the main reason for the weakness of the dollar, which is having a

serious effect on other countries and on the economic outlook for the world as a whole. It would be a pity if the responsibility of the Federal Reserve for maintaining the value of the currency were to be deliberately diminished.

Nobody, of course, supposes that the U.S. central bank has been exclusively concerned with inflation and that the Carter Administration regards these things as of no importance. It is a question of relative emphasis: the Fed has itself been criticised by some observers for operating too lax a monetary policy. Everyone is agreed that the main threat to continued U.S. economic growth is the failure of capital investment to pick up. There are different opinions about the reason for this failure and the best way of remedying it.

Continuity

Dr. Burns, it is to be hoped, will choose to stay on the Board of the Fed and provide an element of continuity in its thinking. The financial markets, whose behaviour undoubtedly has an effect on confidence and capital investment, are already inclined in the U.S., even more than in Britain, to study the monetary statistics closely and react nervously to any actual or anticipated change of official policy. If they suspect that some quite new policy is being introduced, they will become more uncertain than ever.

President Carter and his advisers, as well as Mr. Miller, may be aware of this danger: they may have underestimated it. The worst feature about the change of chairman, after all, is the way in which it was decided and announced. Nobody would have been much surprised if it had been announced some months ago that Dr. Burns was to be replaced. By leaving the decision to the last moment, however, President Carter first created a hope that he would be kept on as a symbol of the Administration's determination to protect the dollar, and then abruptly frustrated it. Conscious or not, this is one more example of what is only ironically described as "benign neglect."

The choice for Argentina

FOREIGN BANKERS are once again beginning to spilt on Argentina. Since the military coup headed by General Jorge Rafael Videla seized power in Buenos Aires in March of last year some of the financial chaos which reigned in the closing period of the rule of President Maria Estela Peron has been corrected. The Argentine peso, while still losing its value rapidly, is not sinking at the dizzy rate of two years ago. Despite increasingly bitter quarrels among the three armed forces Dr. Jose Alfredo Martinez de Hoz, the economy minister appointed by General Videla at the time of last year's coup d'etat, has maintained his position in the cabinet.

Unpredictable

The survival of Dr. Martinez de Hoz in the face of the hostility of Admiral Emilio Massera, the powerful and ambitious commander of the navy, has ensured that the Videla policy of playing down excessive nationalism and encouraging foreign investment on very generous terms has been adhered to. But the policy has not been entirely successful. It has attracted loan capital from many of the world's leading banks. It has not however provoked any great influx of more permanent foreign investment.

Foreign investors, like local investors, are still unwilling to commit funds to long-term projects while the political outlook is so unpredictable and while the country, in the government's own words, is in a state of civil war.

The events of the past few weeks in Argentina make sad reading. A senior executive of Peurto Argentina, a French citizen, has been murdered, presumably by left-wing guerrillas hostile to the concept of foreign investment. Despite the junta's claims to have virtually halted the murderous activities of these guerrillas they continue to take place.

At the same time the junta appears to be as incapable or as unwilling as it ever was to halt the unofficial killings and

abductions indulged in by the extreme right and its own supporters. The kidnapping of two junta leaders in the days before Christmas attests to that. The situation is made all the more unattractive by the fact that the junta, while taking severe measures against journalists which critics see from any position other than one of the extreme right, permits the publication of overtly anti-semitic broadsheets.

General Videla has less than six months left before thousands of foreign tourists start descending on Argentina for the World Cup. For more than a year now the junta has bent every effort to ensure that this event will yield it a major propaganda victory and project the image of a stable and peaceful country. Large sums have been spent on improving stadiums and installing the television equipment which will project the games round the world.

Given the present unsettled conditions it is very possible that the image that the cameras present will be the very reverse of what the junta wants. As the weeks pass and the opening ceremony of the World Cup approaches the junta will be tempted to increase the pressures on its opponents in the hope of ensuring that they do not embarrass it in the presence of foreigners.

Civilian rule

To give in to such a temptation would however be a mistake. After decades of civil strife and the loss of thousands of lives the last thing Argentina wants is another increase in political tension. What it does need is a period of peace under a freely elected civilian government. Only such a government is capable of healing the rifts in Argentine society and giving it genuine political stability. An unequalled declaration by the junta that it favours a rapid return to civilian rule would be the best New Year present it could give Argentina.



Dr. Burns

"THE ADMINISTRATION was not only uneasy about the spectre of tight money, but also felt that the chairman of the Federal Reserve was too close to the bankers and not co-operative enough with the White House."

In those words the author of a new book about President Harry Truman describes why Mr. Arthur Burns has become the first chairman of the Fed not to have tendered his own resignation since 1948. President Carter's decision to remove him and his unexpected choice of Mr. William Miller, a businessman largely unknown in Washington and abroad, is thus going to be very closely analysed.

It is therefore scarcely surprising that the financial and business community came to see Dr. Burns as a bulwark perhaps the only one, in a city they do not much like and only imperfectly understand. With Mr. Bert Lance gone and no clear economic policy supreme, the feeling has been that at least Dr. Burns would hold the line. Mr. Miller is going to have to work hard and quickly to convince the bankers at home and abroad that he, too, can be relied upon to protect the dollar.

For the new chairman has no track record. Unlike Dr. Burns, appointment must create a vacuum at a particularly difficult time when the dollar is under pressure and the world economy is fragile. It will be some time before Mr. Miller's views on a wide range of the topics from the dollar to the money supply—emerge, since

Challenges for the new man at the Fed

By DAVID BELL in Washington

he has had little obvious experience in dealing with them.

There has never been much doubt about where Dr. Burns has stood. In countless appearances before Congress he has never hesitated to show how much he savoured, and how vigorously he would defend, the independence of the Fed in the face of a barrage of Congressional attempts to make it more responsive to public pressures.

Since the regional Federal Reserve system was set up in 1913 the Fed has always played a key role. But the general acceptance of the importance of the money supply—for which Dr. Burns has been partly responsible—has inevitably enlarged its power and influence. The emergence of the dollar as a cornerstone of the world financial system has meant that the Fed has been particularly sensitive to international issues. Dr. Burns has come to be regarded abroad with enormous admiration, to-day's widespread falls of the dollar bore eloquent enough testimony to that.

At the age of 73, and well versed in the ways of Washington (where he has served six presidents), Dr. Burns has seen no reason to be in awe of the White House. For much of this year he has aimed a series of carefully worded attacks at the Administration on a variety of issues. They have greatly irritated the White House, the Treasury, and the Council of Economic Advisers, and led, in exception of the Bundesbank it is the only central bank in a period of almost open warfare. Yet the remarkable thing is that, for all the opposition that Dr. Burns stirred up, he won the day on a host of subjects. He opposed the \$50 tax rebate for his (Mr. Carter said on television last night that he considers that to be his biggest misdeed); he opposed new taxes on capital gains (they were abandoned); and he chided the Administration for not "talking the dollar" (it has recently begun to do so).

chief executive at Textron, one of the most thriving conglomerates in the U.S., fully understands the needs and anxieties of business, and has wide experience of doing business overseas.

Mr. Miller's task therefore is to convince Wall Street and a large international audience that he is sound. The mere fact that he is from business will not be enough, just as it has not been enough to win full-hearted support for Mr. Michael Blumenthal who came to the Treasury from a similarly successful career with the Bendix Corporation. The involvement of the new man at the Fed with various projects to create new jobs, and his frequently expressed concern about the human consequences of unemployment, will worry businessmen who see such projects as

about the money supply, but a man more in sympathy with the goals of a Democratic President, albeit an economically conservative one. Mr. Miller will be less inclined to criticise the Administration in public, and it will be somewhat easier to harmonise economic policy than it has been with Dr. Burns. Not that that need have been as difficult as some Democrats contend. President Kennedy, after all, re-appointed Mr. William McChesney Martin who had been chosen by President Eisenhower and was also basically a conservative. He was, however, less forceful, at least in public, about his views than Dr. Burns has been.

In any case, should Mr. Miller feel tempted to kick over the monetary traces (and there is absolutely no indication that he should be remembered

has already been warmly received by the powerful group within the Democratic Party that so opposed Dr. Burns. This group—congressmen, labour and blacks—has lately been very restive and would never have forgiven the President if he had re-appointed Dr. Burns or chosen someone else in his image. Yet this complicates Mr. Miller's immediate task. He must distance himself almost at once from the Administration to demonstrate to the business community that he is his own man, while at the same time showing the right amount of concern about the political problem of unemployment. It will be no easy job.

Perhaps fortunately for Mr. Miller he is taking office at a time when there is less certainty about the adequacy of the monetarist approach than in



Mr. McChesney Martin

had had little or no benefit exact against inflation, but I chocked off new investment effectively subverted administration economic policy.

Dr. Burns sees the force of this argument and has in the past admitted mistakes (for example in 1975 when the movement in short rates was too large and the movement in long rates was too small). But he points to the fact that, for the movement in short rates, rates long term rates have been largely unaffected. Dr. Burns is taking office at a time when there is less certainty about the adequacy of the monetarist approach than in



President Carter listens to Mr. Miller talking to the Press after his appointment to the Fed. Mrs. Miller watches from the background.

the all but inevitable precursors of more inflation.

The President has been looking at all this in a very different light. The year-end polls have given him uniformly low marks for his handling of the economy. Although bankers and many economists believe that it is well nigh impossible to cut inflation and unemployment at the same time, the polls show that the American people do not share this view. The President knows well enough that the economy is his Achilles heel—particularly since he made such an issue in his campaign of the need to improve it.

There has been remarkable unanimity within the Administration that Dr. Burns has been holding too tight a rein and that it is now imperative to have as the chairman of the Fed, not a wild man prepared to forget

that he is only one of seven governors and only one of 12 members of the open market committee that sets money supply targets. That will limit his increasingly clear that the money supply is more volatile and less easy to rein in without serious economic disruption next year, but it may be more important than the so-called confidence factor. The key question that is impossible to answer now about Mr. Miller is whether his policy has restricted the growth of the economy and that it could have expanded faster without a renewal of the much feared double digit inflation. Senator Edward Kennedy, predecessor, wrote recently that Dr. Burns had deliberately set too low targets for monetary growth and then "driven up interest rates if the actual growth rate for the money supply rises above the targets he has set." That, he argued,

the past. In the last two years, through the twin traumas of increased oil price and the rising dollar in significantly more than many of its competitors. The debate about the money supply will certainly continue next year, but it may be more important than the so-called confidence factor. The key question that is impossible to answer now about Mr. Miller is whether his policy has restricted the growth of the economy and that it could have expanded faster without a renewal of the much feared double digit inflation. Senator Edward Kennedy, predecessor, wrote recently that Dr. Burns had deliberately set too low targets for monetary growth and then "driven up interest rates if the actual growth rate for the money supply rises above the targets he has set." That, he argued,

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MEN AND MATTERS

Faceless Scots confronted

The assumption behind the BBC's 50-minute documentary "The Power of Scotland," being broadcast on Tuesday, is that few people north or south of the border know how far administrative devolution has gone already. The Scottish Office, which the programme is about, may have begun as a powerless sop to the Scots by Lord Salisbury, but it now has 11,000 civil servants in Edinburgh—more than the European Commission has in Brussels. It spends £8bn. a year.

Presenter Chris Baur, who also wrote the script, points out that the writ of Ministers Rees, Varley, Silkin, Ennals, Williams and Shore does not run north of the Tweed. All their roles are filled by one man, the Secretary of State for Scotland, Bruce Millan; his accountability to Parliament nowhere near matches the wide range of his responsibilities.

Evening-up that imbalance is the constitutional justification for devolution. Millan will keep his cabinet seat, but lose 9,000 of these 11,000 civil servants and most of his budget. The programme makes plain the sheer weight of Scottish bureaucracy, but Baur, a former FT Scottish correspondent—admits he failed to get behind the "reticent anonymity" of St. Andrew's House, which is Millan's HQ. It remains to be seen whether the Scottish Assembly can pierce that formidable screen.



"It looks like '78 is going to be another year of keeping down with the Jenesies!"

Saucy sexton

The arrest of a top official in the Turkish CIA, on spying charges recalls the odd tale of a longer-serving alleged "mole" in the same domain. He was the one-time chief sexton at the British graveyard in Istanbul.

Retired colonel Sabahattin sent his records to London where they have since been published by the Meteorological Office. Turkey's scientific search organisation, Tubitak, says: "It was as a camouflage that Mr. Lyne sent his information from the Victoria Hospital, Istanbul. We understand that he

worked for the British Intelligence Service." From his vantage point overlooking the Bosphorus, Lyne was ideally placed to study Russian warships passing from the Black Sea to the Mediterranean—a matter that occupies agents even to-day.

Tubitak describes Lyne's less furtive findings, however, as "the oldest, longest and most continuous meteorological observations" made in Turkey. A paper presented to its latest congress invites scientists to study the findings—on microfilm, of course. It is a touch which our man in the graveyard would doubtless have liked if indeed he was both Turkey's first meteorologist and a British spy. For the record, Lyne died in 1914 at 80—a ripe age for a secret agent.

Give him a big hand

ALOIS Bumbalek says that if you burn an Ecuadorian banana—or one from the Honduras for that matter—you will be left with a small but useful quantity of uranium in the ash. As well as a nasty, lingering smell.

He also says, in the explanation of a process he has recently patented in Britain, that burning other fruits such as oranges and lemons can yield worthwhile quantities of gold, radium, thorium, titanium and other highly valued metals.

Bumbalek, a German, claims that some plants, if deprived of minerals such as iron, calcium and others which make up a normal part of their soil diet, will extract others in an attempt to compensate for the deficiencies.

He reckons, for example, that magnesium deficiency encourages the absorption of uranium—always assuming, of course, that the element is present in the soil in the first place. Potassium deficiency promotes the absorption of gold, he says.

Uplift on the Midi

The United States' television hot gospellers have at last acquired a European congregation. Tele Monte Carlo, which broadcasts from the Principality to an audience stretching the length of the French and Italian Riviera, is offering its viewers one hour of Bible-thumping a 14-American every week.

The preacher is busy 58-year-old Rex Humbard, whose Ohio accent is being dubbed into French to make him intelligible to Marseilles fishermen and the winter holidaymakers of Cannes and Nice.

Humbard produces his show in his own studio and it stars his 14-strong family. Packaging 545 videotapes a week for U.S. and foreign TV stations puts Humbard's activities on a par with the medium's biggest commercial operations. The shows are translated into seven languages and the message is that of the Church of Tomorrow, which has its own 5,000 seat cathedral in Akron. Humbard says that although receipts totalled \$18m. last year, programme costs topped \$21m., with the balance coming from donations. He says: "The money does not go into my pocket. I'm on a modest salary as a pastor of the Cathedral of Tomorrow."

Humbard says a year ago Elvis Presley called on him in a search for faith. Last August the singer's father asked him to officiate at Elvis's funeral. He recalls: "It was a very moving experience. I had prayed and wept with Elvis. His father wanted me to speak about that at the funeral."

It is also suggested, by me, that Bumbalek's discoveries are not unconnected with the shelves of somewhat weedy tomes passing from the Black Sea to the Mediterranean—a matter that occupies agents even to-day.

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Malcolm Rutherford

BY MALCOLM RUTHERFORD

POLITICS TO-DAY

Trying to keep up with the Middle East

PRESIDENT ANWAR Sadat of Egypt is the "man of the year" for this newspaper as he is for Time Magazine, and no doubt would be for any other publication that had to make the choice. After Mr. Sadat's visit to Jerusalem last month, there was simply no alternative.

The more interesting question, however, is who will be the man of the year 1978? To be precise, will it be Mr. Menachem Begin, the Prime Minister of Israel? For certainly the Middle East should remain at the forefront of diplomatic activity, and certainly the chance is there for the taking.

But first a word about forecasts. Nothing in the Middle East this year has gone according to plan, and there is no reason to believe that anything will in 1978. Mr. Begin's election was not foreseen; nor was President Sadat's trip to Israel. It was widely predicted that Mr. Begin would face an early confrontation with President Carter. That did not happen. It was also generally assumed that Israel would only make concessions to the Arabs under extreme American pressure. That did not happen either. Instead Mr. Begin reacted directly to President Sadat.

All that ought to compel a note of caution about forecasts to-day. Indeed the safest instinct might be to disbelieve anyone who claims to know exactly what is in the mind of either Mr. Sadat or Mr. Begin. However hard the great powers try to follow, they find it impossible to keep up. It remains conceivable that Mr. Sadat will go for a bilateral settlement in the end, despite his present denials. It is also conceivable that Mr. Begin may be simply

playing a tactical game, offering concessions that he believes the Arabs will turn down. No-one knows, for sure.

There are, however, certain developments which can be picked out and perhaps used as rough guides for the future. The first is that the Egyptian-Israeli negotiations are taking place at a time when the Arabs have virtually no immediate military option. That is not only because Syria is still tied down in the Lebanon. It is also because Egypt, having broken with Moscow, has problems about arms supplies and because Israel is at present in a position of great military strength.

If the negotiations break down, it is quite likely that war will ensue, but it is unlikely to do so very quickly unless the Arabs are willing to risk a crushing defeat. It is unlikely, too, that the Israelis would be foolish enough to start a war themselves.

Major change

The second development—whether tactical or not—is that there has been a major change in Israeli diplomacy. During 30 years of periodic wars, Israel was somehow unable to convert its undoubted military strength into diplomatic initiative, and was perhaps even unwilling to try. All the emphasis was on preserving that strength and increasing security. Any concessions had to be wrung from Israeli Governments by outside pressure, and proved pretty minor at that. Israeli peace plans put security first, and diplomatic initiative or room for bargaining almost nowhere.

To-day the emphasis on security is still there, but there is

a new flexibility. Mr. Begin has entered into a negotiating process from which it will be difficult to withdraw. Certainly it is hard to believe that the peace plan presented so far can be his last word. There no longer appears to be any rigid formula, even if there may, and must, be minimum conditions.

The third development concerns the security issue itself. It has long been Israeli dogma that the country's security can be guaranteed by Israel alone. "To lose a single war," wrote Mr. Yigal Alon, the former Foreign Minister, "is to lose everything." Therefore, he went on, Israel is obliged "to maintain constantly that measure of strength enabling it to defend itself in every regional conflict and every regional combination of strength confronting it, without the help of any foreign army." The idea of external guarantees was out.

Again, it might be said that Mr. Begin has not changed very much—hence his insistence that the Israeli military presence on the West Bank and the Gaza Strip must be maintained. But the idea of outside guarantees is at least being mentioned, and could be worked on.

The fourth development is related to the security issue and concerns the international community. Once again the outside world has been surprised by events in the Middle East. That almost always happens. There were many who did not foresee the Six Day War of 1967, and many more who did not foresee the October War of 1973. And yet the stakes of the outside world in Middle East stability grow steadily higher. That is not only because of oil; it is also because



Israel's Prime Minister, Mr. Menachem Begin, and his deputy, Mr. Yadin—will 1978 bring peace to their country?

There is already a growing literature* on this subject, some of it not yet published, and, of course, the discussion goes well beyond the West Bank to include all the occupied territories. The West Bank has been singled out here because it is the most difficult in that it is likely to be the heart of the Palestinian homeland, is densely populated and, therefore, hard to police. Indeed without a West Bank settlement it is probably unrealistic to talk of any lasting settlement in the Middle East.

Precedent

That does not mean, however, that there is nothing to be learned from arrangements elsewhere, nor that there are no precedents on which to build. There is, in fact, a very significant precedent in the second Sinai agreement of 1975. It is true that it involves an area of very small population where any movement is relatively easy to monitor, and that, even then, the Israelis only accepted it under great American pressure and in return for further American arms supplies. But it also involves certain novel features: the use of American technology for the monitoring; the provision of one surveillance station for the Egyptians and one for the Israelis—so that there is national participation and no discrimination between the two countries; and the presence on the ground of American civilian personnel—almost, as it were, as a hostage.

Now, the term "security guarantees" covers a wide field and they do not have to be the same for all areas. But if it is possible to establish an ad hoc

Barristers' principles

From Lord Shawcross

Sir,—On returning from abroad, I see that in your issue of December 22 under the title inaccurately headed "Shawcross criticised by Law Society," you give publicity to the comments of an anonymous reader in the Law Guardian Gazette criticising a speech I recently made to the Central Criminal Court Journalists Association. That reader, a shade pompously, suggested that my speech was insulting; as to that I can only observe that neither the two experienced judges who were present nor the very experienced journalists seen by the reception they were good enough to give it to have been offended by what I said; indeed, one of the judges present publicly stated that he "agreed with every word."

It is true that in exercising the right of peremptory challenge as in everything else he does, a barrister acts in right (and in the supposed interest) of his client. It was this which led Disraeli to make his famous but unjust comment "... he belongs to an insupportable profession, the first principle of whose practice appears to be that they may say anything provided they are paid for it... the practice of circulating falsehoods with impunity is delicately described as your duty towards your client which is a very different process from mine and our duty towards your neighbour." But Disraeli was wrong. Equally famous but more accurate is the statement by Lord Chief Justice Cockburn that "It is (the advocate's) duty to the utmost of his power to seek to reconcile the interests of his client and the duty which is incumbent upon him to discharge with the eternal and immutable interests of truth and justice." And the vast majority of barristers know how to do this and advise their clients accordingly.

In the conduct of cases a barrister is not to identify himself with his client; he is not to allow himself to be made the vehicle of reckless allegations or to make charges simply for the purpose of discrediting the police or other parties concerned; he is to be seen as an essential part of the machinery of justice, and never unless specifically instructed so to do. It is no function of the law to invent a defence. As for the right of peremptory challenge to jurors, I would observe that the English jury system has been based on the principle of random selection of, as it was put, "the 12 men on the Clapham omnibus" and regard the "packing" of juries, as the right of peremptory challenge makes possible when several defendants are jointly charged, on grounds of race, religion or social appearance, as an abuse. Parliament has already had to restrict the right of peremptory challenge. If the abuse continues, Parliament will again have to intervene.

During the comparatively long time I was leader of the Bar, these were the principles which were generally observed and indeed my recent speech was an exact summary of my Cardozo lectures by the New York Bar Association in booklet form although it did no more than restate long accepted ethical rules. It is true that this was some time ago but I do not believe that in this field ethical standards have deteriorated since then and it is important that the public should realise that they have not and that barristers still agree with Lord Macaulay that it is not right that a man with a law on his head and a band

Letters to the Editor

round his neck should do for a guinea what without those appendages he would think it wicked and infamous to do for an empire.

I have suggested to the Law Guardian Gazette that they might usefully occupy themselves with examining the criticisms made in the recent Bow Group memorandum on certain criminal chambers in which possibly the general principles I have indicated are not observed—and in considering how far, if at all, solicitors may be involved.

Shawcross,
House of Lords.

Import of textiles

From Mr. A. Casworth.

Sir,—I was interested to read (December 21) of the attack by Mr. David Warburton, national chemicals officer of the General and Municipal Workers' Union. He states that "The arrogant statements implying that companies know best cannot be accepted under any circumstances."

Now the unions have large reserves and invest these. We have read of the purchases of works of art and investment trusts by the unions in the last few months. It is presumed that, quite rightly, the unions concerned have made such purchases to protect their finances, but does this help the number of people in employment in the U.K.?

Why should industrial companies risk their money in gambles on new plant which could be non-profitable? If the unions feel so strongly on this, should they not put some of their own money in such ventures as a joint enterprise with some of the large groups? Direct participation by the unions financially with industry could assist greater stability.

On Page 1 of the same issue a list of expected textile imports into the U.K. for 1978 is given. On Page 23 details of the losses in man-made fibres are given. On Page 11 details of the expected losses of ICI fibres in the current year are given. We could all help by buying British. The all help would be higher but it would keep the number of unemployed down.

Let us look at these expected imports for 1978, omitting cotton yarns and synthetic cloth: £ m.

25m. trousers at say, a retail price of	8=174
4m. shirts at	4=103
29m. skirts at	4=168
42m. shirts at	4=168
53,000 tonnes of T-shirts, which is about 530m.	
T-shirts, at say, a retail price of	1=530

£980

We who are about to be unemployed will purchase these items in 1978. The same edition of the FT suggests a price for the proposed ethylene plant of £200m. That is the retail price of these imported clothes and is equivalent to four ethylene plants.

A. K. Ungsworth,
1, Coura Downes Road, Beckenham, Kent.

Amdahl and Fujitsu

From the Managing Director, Amdahl (U.K.).

Sir,—I would appreciate the opportunity to correct a significant mis-statement of fact concerning Amdahl Corporation contained in Mr. Douglas Ramsay's article (December 21) on Japanese overseas investment. The article stated that Fujitsu and Japan had entered a joint ven-

Controlling heat

From Mr. D. Thornton.

Sir,—In all the discussions on energy conservation stimulated by the British Government's welcome £32m. four-year package, one important point seems to have been missed. Adding insulation to existing houses with their existing heating systems will normally make existing boilers and heating systems oversized in that heat requirement has been reduced by virtue of lower heat losses. It follows that unless something is done to control the heat output from those boilers and heating systems, the result of insulation will simply be overheating. Put another way, that means that expected energy savings from insulation could be largely negated.

One of the significant costs of any work on site is the cost of getting people to the site and away. While it is true that costs would not make sense to have the men do more than one small job and to fit a good control system that would render the insulation work cost effective.

D. S. Thornton,
(Sales Director, Residential Division), Control Systems Group, Honeywell, Charles Square, Bracknell, Berkshire.

Great balls of fire

From Mr. S. Guebenlian.

Sir,—I wish to contest the "incombustibility" of the Financial Times (ref. your Editorial of December 24); I wonder if the relative survey included your paper's possible use to start fires of record in the most incombustible, non-aromatic, low-glow, charcoal variety you buy at Harrods. The succulence of the skewered kebabs, chops and chicken cooked on such charcoal fires carried by setting a match to quarter-sheets of the Financial Times squeezed into small balls proves the super-combustibility of your paper. It could be the editorial content, of course.

I, a very experienced, fire of charcoal from Cyprus start far easier and to gastronomic advantage by using "Fintimes" balls rather than any other British national.

Shang Guebenlian,
32, Brunswick Gardens, Kensington, W.8.

Sri Lanka and the IMF

From the High Commissioner Sri Lanka (Ceylon).

Sir,—Your issue of December 2 carried an unfortunate news story under the caption "Sri Lanka in IMF loan row" stating that sharp disagreement has arisen between Sri Lanka and the IMF over the new Government's policies. There is, in fact, no truth in this statement. On the very day the news item appeared in your columns the IMF approved a standby arrangement in a sum of SDR92m.

It should be known to you that the Sri Lanka Government recently established a floating rate for its currency as well as dismantled most of the exchange and import controls and administered prices. It also announced that after January 1978 subsidies will be given only to about half the population, that is for about 7m. people.

The fact that the IMF Board has already approved a standby arrangement equalling SDR92m. means that the Government itself has not rejected the IMF programme.

N. Wimalasena,
Hyde Park Gardens, W.1.

Insulation is built-in

From the Director, British Woodworking Federation.

Sir,—Recent proposals by Mr. Wedgwood Benn to stimulate energy conservation measures have obviously received widespread support and this Federation also sees in these proposals the first step in the process of recognising that energy conservation must now become a primary consideration in relation to housing policy.

It is clear that housing now being constructed or projected will be the basis of the stock which this country will be using in the twenty-first century. These houses will be occupied in conditions of possible fuel shortages after the bulk of North Sea oil

To-day's Events

- GENERAL.**
President Carter continues state tour.
National Association of Schoolmasters/Union of Women Teachers' two-day conference ends, Birmingham.
Camping, Outdoor Holiday and Motor Caravan Show opens, Olympia (until January 9).
COMPANY MEETINGS.
Mid-Kent Water, Sleaford, Kent, 12. Single, Isleworth, Middlesex, 11. Vickers de Costa, Regis House, King William Street, E.C.4.
- OPERA.**
English National Opera production of From the House of the Dead, Coliseum Theatre, W.C.2, 7.30 p.m.
D'Oyly Carte Company in Princess Ida, Sadler's Wells Theatre, E.C.1, 7.30 p.m.
- BALLET.**
Royal Ballet dance Swan Lake, Covent Garden, W.C.2, 7.30 p.m.
London Festival Ballet perform The Nutcracker, Royal Festival Hall, S.E.1, 7.30 p.m.

'Appalling variations' in tougher MoT test

PROBLEMS OF interpretation chairman, where blamed yesterday for "appalling variations" in the results of a survey carried out by standard of MoT vehicle testing the Automobile Association's for cars more than three years old. Many aspects of the tougher, more uniform annual Ministry test introduced 12 months ago still rely on an examiner's own judgement—and the judgement," said Mr. Arthur Johnson, the Motor Agents' MoT test still rely on an Association technical committee aminer's own judgement."

'Our Nationwide Capital Bond pays 7½% worth more than 10½% gross and a regular monthly income.'



It pays to decide Nationwide

Nationwide Capital Bonds guarantee extra interest and a regular monthly income

1 year term Extra Interest Monthly Income	7.00%	10.61% GROSS
2 year term Extra Interest Monthly Income	7.00%	10.61% GROSS
3 year term Extra Interest Monthly Income	6.50%	9.85% GROSS
Share Account	6.00%	9.09% GROSS

You can invest from £500-£15,000 (up to £30,000 in a joint account) for fixed terms of 2, 3 or 4 years. The two year Bond offers 2% extra interest above Share Account rate. The three and four year Bonds offer 1% extra interest. The Share Account rate may fluctuate but the extra interest is guaranteed for the full period. Your interest can either be compounded half-yearly paid half-yearly by warrant or transferred every month to your bank. Nationwide Capital Bonds offer you an excellent return with complete security. There are now over 300 Nationwide branches—you'll find the address of your local branch in Yellow Pages or just post the coupon.

Nationwide
The Building Society of a lifetime

Full Name: _____
Address: _____
Postcode: _____
Day: _____
Signature: _____

Notice of Partial Redemption To the Holders of Mac Millan Bloedel Limited

9% Debentures Series J Due February 1, 1978

Take notice that \$1,450,000 (Cdn.) principal amount of Series J Debentures, bearing the following serial numbers, has been called for redemption on February 1, 1978. The holders shall be entitled to receive the face value of such Debentures, upon presentation and surrender thereof with all unattached coupons attached, on or after February 1, 1978, at any of the Company's Paying Agencies, Series J Debentures so called for redemption shall cease to accrue interest on February 1, 1978.

- Canadian Imperial Bank of Commerce, Toronto, Ontario M5L 1G9
Canadian Imperial Bank of Commerce, Brockenhurst Landstrasse 51-53, 6000 Frankfurt-am-Main, West Germany
Banca Commerciale Italiana, 206-214 Herengracht, Amsterdam, Netherlands
Kredietbank N.V., Arenbergstraat 7, B-1000 Brussels, Belgium
The Canada Trust Company, 111 Wall Street, Vancouver, BC, Canada
Swiss Bank Corporation, Aeschenvorstadt 1, 4002, Basle
Banque Generale du Luxembourg S.A., 14 Rue Aldringen, City of Luxembourg, Luxembourg
Canadian Imperial Bank of Commerce, Box 408, 2 Lombard Street, London EC3P 3EU, England
Banque de Paris et des Pays-Bas, 4, Rue Dautin, 75002 Paris, France
Banca Commerciale Italiana, Piazza della Scala, No. 6, 20121 Milan, Italy
Citibank, N.A., 111 Wall Street, New York, NY 10015, USA

Table listing serial numbers of Series J Debentures for redemption on February 1, 1978. Columns include serial numbers and corresponding values.

The case for maintaining a strong exchange rate

BY GEOFFREY MAYNARD

THE GOVERNMENT'S decision to float sterling at the end of October, 1977 and to accept an appreciation of the exchange rate has probably received more criticism than support. Both the Cambridge Economic Policy Group and the National Institute of Economic and Social Research seem to think the decision was a mistake. Indeed, the Institute's analysis of the medium-term outlook and of the medium-term options facing the Government leads it to the view that a depreciating exchange rate is necessary, although not sufficient, condition for taking full advantage of North Sea oil and of achieving a sustained economic recovery of the U.K. economy.

acceleration of wage costs and the prospect of a stable or appreciating exchange rate will have on the collective bargaining process and on the willingness of employers to give in to wage demands. An employer engaged in foreign trade will be much more willing to concede wage demands if he can be confident that the exchange rate will fall to compensate for the rise in his wage costs, and much less willing if he is convinced that the exchange rate will be kept stable or appreciated.

If British industry fails to adapt... there will be no long-run alternative to a depreciating exchange rate with or without North Sea oil; but we should not assume that this will be the case. If we do, we may well lose the opportunity provided by oil revenue to produce a decisive change in the performance of the U.K. economy.

However, the arguments marshalled by the critics, including the Institute, appear to neglect some important considerations that weigh very heavily in favour of the Government's decision and in favour of a policy of maintaining a stable exchange rate at around its present effective level, if not higher, at least for the medium term. Critics of the Government's policy are rightly concerned with the effect of sterling appreciation on the U.K.'s trade competitiveness. There are short- and long-run aspects to this which bear on exchange rate policy. Few will deny that the steep fall in the sterling exchange rate during 1976 was much more than was necessary to offset the U.K.'s faster inflation rate in the same period. On an effective exchange rate basis, sterling fell from about 73 per cent of its December, 1971 Smithsonian value to about 60 per cent of it (during 1976).

Because of this, exchange rate policy is likely to have a greater and quicker impact on inflation than is predicted by conventional short term forecasting models. Although some appreciation of the exchange rate through 1977 was clearly desirable in the interests of containing and reducing inflation, it remains true that in the longer term policy must aim at maintaining the competitiveness of the U.K.'s foreign trade. But it does not follow that a policy of permitting or encouraging continuous depreciation of the exchange rate is the best way to ensure this. There would surely be no disagreement that price competitiveness is best maintained and increased by policies aimed at raising labour productivity of both economy that are becoming increasingly necessary.

Indices compiled by the IMF and by the OECD secretariat suggest that on a relative unit labour cost basis expressed in a common currency, U.K. trade competitiveness improved by at least 10 per cent during the course of the year, and was at least 15 per cent more favourable at the end of 1976 than at the end of 1971. Some people took the view that sterling should be maintained at the level of the last quarter 1976 (that is, 51.65 to the pound), the appreciation of the exchange rate, so that some overall loss of foreign trade competitiveness is inevitable.

Obviously a deliberate policy of maintaining a strong exchange rate in the interest of encouraging the change in our industrial structure and the rise in capital and labour productivity which is necessary if real incomes are to rise will be more difficult, if not impossible, if in the short run the balance of payments remains chronically weak; for then, a firm exchange rate can only be maintained at the expense of stop-go policies, low investment and slow growth—that is, a return to the 1950s and 1960s. But the situation today is quite different: we have North Sea oil. In bringing about a substantial alleviation of our import bill, North Sea oil will provide a substantial buttress to our balance of payments for 15 to 20 years when, if appropriate policies are pursued, the structure of U.K. industry can be significantly changed.

COMPANY NEWS

Brentnall Beard profit tops £1m.

SECOND HALF profit of \$8.68m, against a revised budget of \$8.5m, says the company's chief executive, Brentnall Beard (Holdings) to expand the figure for the full year to September 30, 1977, from \$9.74m to \$10.1m, pre-tax.

Wilkins and Mitchell setback

DOMESTIC appliance and power press makers Wilkins and Mitchell slid back into a deeper pre-tax loss of \$511,000 for the half year to October 1, 1977. Last year, after a first half loss of \$308,000 the deficit for the second six months was just \$2,000.

DIVIDENDS ANNOUNCED table with columns for Company Name, Current Payment, Date of Payment, and Total Dividend.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange since November 15, 1977. The meetings are for the purpose of considering dividends. Official indications are not available whether dividends are interim or final and the sub-divisions shown below are based mainly on last year's practice.

Sales for the current half-year were marginally down from £20.78m to £20.33m. The net interim dividend is raised to 2.5p (0.1p) per 25p share. No final was paid for 1976/77.

The directors state that the work done in the power press division and in the Servis domestic appliance division, although not showing itself in its full profitability at the present stage, gives cause for a greater degree of confidence. This encourages them to state that, given reasonable market conditions in the domestic appliance division for the remainder of the period, the year end result from U.K. operations should enable the group to show a small surplus.

Record life bonuses

The majority of traditional life companies which operate on a three-year bonus period are due to declare their current reversionary bonus rates at the end of 1977. Clerical, Medical and General and U.K. Provident announced record rates, following the precedent set earlier this month by Scottish Equitable. The company is lifting the reversionary bonus rate for 1978 to 5.25 per cent per annum of the guaranteed annuity and bonuses, compared with 5.00 per cent previously. The company is also adding a special bonus to all with-profit policyholders by consolidating part of the terminal bonus into the pension contracts in £5.50 per cent per annum compound. The terminal rate payable on death or maturity claims remains at £5.50 per cent of the sum assured for each policy year in now be 10 per cent of attaching force. The company put up this rate substantially in August, since its equity values have not changed appreciably. For personal pension contracts, the reversionary rate is lifted to 5.20 per cent per month of basic pension and attaching pension bonus from £0.25 per cent—the annual equivalent being £3.25 per cent increased from £3.04 per cent.

There was no tax charge this time (£45,000).

out a small pre-tax profit for the full year while there will be a reduction in losses in Australia. However the much muted capital base could be further eroded by retained losses unless the group can dispose of more properties at a profit. Meanwhile the dividend has been increased from 0.1p to 0.25p net. At 46p the share price is 0.8 per cent above the group's capitalised £29.5m.

comment Over £150,000 of the latest loss declaration by Wilkins and Mitchell is accounted for by redundancy payments to 60 employees and closure costs of a U.K. washing machine factory. The Australian subsidiary was responsible for around £200,000 (compared with £300,000 of the remainder). For the rest performance has been patchy, with the Servis Domestic Appliance division also showing a deficit in the first quarter. But the slowly improving picture in machine tools, and the return to profitability of the Servis Domestic Appliance division, could mean in view of the exceptionally high U.K. tax charge arising out of the

MONEY MARKET

Small assistance

Table showing interest rates for various financial instruments including Treasury Bills, Government Securities, and Bank Deposits.

The Mid Kent Water Company

"Continued Expansion and Development" reports Mr. A. W. White, the Chairman.

The Annual General Meeting of The Mid Kent Water Company was held at the principal office of the Company, High Street, Snodland, Kent, on Thursday 29th December, 1977. The following is the Chairman's Statement for the year ended 30th September, 1977.

By comparison with the previous year, 1977 was an uneventful one in regard to water supply. It would have been unwise of me, a year ago, to have predicted that the heavy rainfall, which had occurred from September onwards, would continue, but, in the event, the rainfall for the first three months of this year was also above average and we approached the Summer with near average groundwater table conditions. As we will all recall the Summer was confined to a few fine weeks and the overall demand for water did not reach the high levels attained in 1976.

Industrial use was also less than anticipated, due probably to a combination of circumstances, including the continuance of water saving measures introduced the previous summer, changes in marketing methods, particularly foods (in the widest sense) and the increasing costs of both supplying water and disposing of the effluent.

Consumption of water for domestic purposes, however, was maintained and from the figures available it appears that this company is still developing more rapidly than any other company or Water Authority division in the country. Even so, per capita consumption of water for domestic purposes is well below the average, which, I believe, is an indication of the effectiveness of our waste detection arrangements, which have been applied vigorously and indeed further extended. We are, therefore, having to make the best possible use of the now limited local groundwater resources and during the year we have constructed trial boreholes into the Chalk and Lower Greensands at four new sites.

The laying of the new trunk main from Chilham to Ashford is nearing completion and this will ensure adequate supplies for this steadily expanding township with its varying industrial activities: for a period up to the early 1990's. We have commenced work on a new

treatment works adjacent to the pumped storage reservoir at Bewl Ridge, which will be used to supply water to rural communities in the western part of the Weald of Kent. The joint promotion of the new Broad Oak Reservoir with the Southern Water Authority, is proceeding satisfactorily but slowly and we have had to apply for a temporary increase in the abstraction licences for several existing pumping stations (which will lapse on the commissioning of this scheme) so as not to jeopardise the future water supplies to the City of Canterbury and the surrounding area.

The reliability of supplies has been increased by the construction of a new covered service reservoir at Charing Hill and new Laboratories have been built adjacent to our Head Office at Snodland, so as to provide the proper facilities for ensuring the highest possible standards of purity. One of the effects of this continuing and expanding capital works programme is the need to raise substantial sums of new capital annually. It is encouraging to note the recent drop in both interest rates and the rate of inflation, but, even so, the level of capital expenditure necessary to comply with our statutory obligations to meet the still steadily rising demand for water is such that further increases in water rates and charges are inevitable.

However, every effort is being made to contain operating costs and I am pleased to report a reduction in staff, despite the increasing work load. The possibility of the further reorganisation of the Water Industry has featured in my last two statements and although the threat to the continued existence of companies by nationalisation has not been removed completely, the Government's latest White Paper indicates that such proposals will not be proceeded with at the present time. This declaration is, I believe, good for this industry and the country as a whole and the directors and staff will be able to continue to play their part with the Water Authorities and the National Water Council, or its successor, in maintaining and improving upon the standard of service, which has no equal anywhere in the world.

L & G dividend attacked

The bid by the Kadruke Group for Lazard and General is developing into a full scale financial battle. Shareholders have now been sent a letter from Lazard attacking the company's financial base and questioning whether Lazard can afford to increase its dividend, as promised, by 93 per cent.

Tin payments

A SPECIAL dividend of 45 cents (10.13p) net is to be paid by Southern Kinta Consolidated. The company states that this amount is well in excess of the dividend undertaken to be paid in the scheme of arrangement resulting from the recent transfer of domicile to Malaysia. Accordingly, no interim will be paid for the financial year to March 31 next.

comment

Over £150,000 of the latest loss declaration by Wilkins and Mitchell is accounted for by redundancy payments to 60 employees and closure costs of a U.K. washing machine factory. The Australian subsidiary was responsible for around £200,000 (compared with £300,000 of the remainder). For the rest performance has been patchy, with the Servis Domestic Appliance division also showing a deficit in the first quarter. But the slowly improving picture in machine tools, and the return to profitability of the Servis Domestic Appliance division, could mean in view of the exceptionally high U.K. tax charge arising out of the

Stewarts & Lloyds drop inflation accounting

BY RICHARD ROLFE
ENGINEERING group Stewarts and Lloyds, a pioneer of inflation accounting in South Africa, has decided to discontinue this practice with effect from the current financial year ending next September.

Shipping struggle coming to an end

By Robert Mauthner
PARIS, Dec. 29. THE LONG-DRAWN-OUT battle between the two shipping groups, Compagnie de Navigation Mixte and Delmas-Vieljeux has now been virtually settled.

THE CHANGEOVER AT ITT End of the Geneen era

BY JOHN WYLES IN NEW YORK



Harold S. Geneen

Lyman C. Hamilton Jr.

SUCH HAS been his dominance of the company, so widespread is his name and in some places notoriety, that there is a temptation to view the retirement at the week-end of Harold Sydney Geneen in the same end-of-era terms as a change of monarch.

Not that Geneen at the age of 67 is yet ready to part company with an organization which has become a textbook model of all that is seen as good and had about the multinational conglomerate. He will stay on indefinitely as chairman while relinquishing chief executive responsibilities to the 50-year-old Lyman Hamilton Jr. who has been named chief operating officer last February on the assurance that he will become chief executive.

Dutch mortgage growth ends

BY MICHAEL VAN OS
AMSTERDAM, Dec. 29. THE STRONG growth of newly-registered mortgages for real estate has come to an end in Holland, according to calculations by the Central Bureau of Statistics (CBS). This development is "very probably the result of credit restrictions imposed by the Central Bank for 1977.

EUROBONDS Mark sector ends buoyantly

BY FRANCIS GHILES
THE CHRISTMAS RECESS may have put a temporary damper on activity in the DM500m. bond market but the market later next week is expected to be very busy.

Indian policy on investment

BY K. K. SHARMA
NEW DELHI, Dec. 29. THE NEW INDUSTRIAL policy announced by the Janata Government has left materially unchanged the terms and conditions of foreign investment in India. The new Government has pressed itself as being not averse to the entry of even multinational corporations and will allow major foreign companies to invest in ventures that are 0 per cent export oriented.

NMB raising dividends

NEDERLANDSCHE WIDDERSCHANSBANK (NMB) intends to raise both the interim dividend and the final dividend, it was announced here today, writes Michael van Os.

BP France sees Frs.100m. loss

PARIS, Dec. 29. LOSSES of well over Frs.100m. may be incurred by BP (BP France) in 1977, compared to a virtual breakeven in 1976. The company announced today that its losses in the second half of this year may well exceed the Frs.55m. deficit incurred during the opening six months of 1977.

Ciba-Geigy \$30m. for Alza stake

ZURICH, Dec. 29. A TOTAL OF \$0 per cent of the voting shares of Alza Corporation, Palo Alto, is to be acquired by the Swiss-owned Ciba-Geigy Corporation. The two companies have agreed to the sale of Ciba-Geigy Corporation of \$30m. worth of priority shares, which on payment of an additional sum would be convertible into \$7m. Ordinary shares of a new type and equal to 52.7 per cent of overall Ordinary-share capital.

Deutsche Babcock rally

BONN, Dec. 29. DEUTSCHE BABCOCK, the public works, such as rubbish disposal, for which the group is heavy engineering and general engineering manufacturer, reports a partial recovery in exports demand, and succeeded in opening the 1977-78 business year with an increased order book, and no evidence of a change in the West German investment climate.

MEDIUM-TERM MARKETS IN 1977

Protectionism is the growing threat

FILE 1977 will have proved a record year for syndicated credits on the Euro-dollar market, the expansion of international lending was no less than last year according to the December issue of the International World Bank Markets. Credits extended this year will reach \$28.5bn, last year, \$25.5bn, as compared with \$20.5bn in 1976.

BP France sees Frs.100m. loss

PARIS, Dec. 29. LOSSES of well over Frs.100m. may be incurred by BP (BP France) in 1977, compared to a virtual breakeven in 1976. The company announced today that its losses in the second half of this year may well exceed the Frs.55m. deficit incurred during the opening six months of 1977.

SELECTED EURODOLLAR BOND PRICES

Table with columns for STRAIGHTS, MID-TERM INDICATIONS, and CONVERTIBLES, listing various bond types and their prices.

MAYNARDS LIMITED advertisement with contact information for Lloyds Bank Limited, Registrar, and D. M. MARTIN, A.C.I.S., A.I.F.M., Secretary.

WALL STREET OVERSEAS MARKETS + FOREIGN EXCHANGES

Bargain hunting wipes out early loss Dollar very weak

By our Wall Street Correspondent

BARGAIN HUNTERS reversed initial stock market weakness while lifting prices to levels just above yesterday's levels in brisk trading.

Investors seemed generally pleased with President Carter's surprise selection yesterday of Mr. G. William Miller to be the new chairman of the Federal Reserve Board.

The market's initial weakness was attributed to the negative reaction in foreign exchange markets overseas, where Mr. Miller is not well known.

The Dow Jones Industrial Average showed a loss of 4.51 at 10.30 a.m., but by mid-session the losses had been largely wiped out. At the close the index was 0.68 ahead at \$30.29 and might have been stronger had it not been for fresh concern near the close that the weekly money supply figures would show another large rise.

After the close, the Federal Reserve Bank of New York said that basic money supply was up \$1.3bn, while the larger measure rose \$500m.

The NYSE All Common Index

NEW YORK, Dec. 29.

News that Dr. Arthur Burns is to be replaced as chairman of the U.S. Federal Reserve had a further depressing influence on the dollar in the foreign exchange market yesterday.

STERLING touched its highest level against the dollar since March 31 last year, reaching a high point of \$1.9250-50 in early trading. It then eased to around \$1.91 by mid-morning, and remained at that level for the rest of the day, before closing at \$1.9090-90.

A rise of 15 cents on the day.

The pound's trade-weighted index, on Bank of England figures, closed at its highest level since 1964 in the morning at \$1.92, compared with 64.65 previously, after standing at \$1.81 at noon on Dec. 28.

As the year comes to an end trading has become very thin, and spreads are wide.

The Swiss franc was quoted at a record level of Sfr.1.9630-30 against the dollar, and closed at Sfr.1.9600-00, compared with Sfr.1.9200-00 previously.

The German D-mark touched a best-ever high of DM2.8500-00 in terms of the dollar, before closing at DM2.8500-00, compared with DM2.1575-75 on Wednesday. There was no indication of intervention by European central banks, but the Japanese authorities were reported to have bought \$200-300m in Tokyo to support the dollar before European central banks closed at \$2.02 against the dollar in London, little changed from the previous \$2.0242.

The dollar's trade-weighted

GOLD MARKET

Dec. 29	Dec. 28	
Gold Bullion (London)	\$1,664.1654	\$1,664.1654
Gold Bullion (New York)	\$1,664.1654	\$1,664.1654
Gold Bullion (Frankfurt)	\$1,664.1654	\$1,664.1654
Gold Bullion (Zurich)	\$1,664.1654	\$1,664.1654
Gold Bullion (Geneva)	\$1,664.1654	\$1,664.1654
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FARMING AND RAW MATERIALS

Cotton surplus to rise

AN EVEN bigger rise in world cotton stocks is forecast at the end of the present season following a further rise in the International Cotton Advisory Committee's production estimate and a cut in expected consumption.

Bank of Brazil acts to aid coffee exporters

THE BANK of Brazil has come to the aid of many hard-pressed Brazilian coffee exporters by authorising extensions on loans for coffee which has been shipped abroad but for which buyers have not been found.

said the shippers might otherwise have been forced to sell the coffee at unremunerative prices. But the announcement had little effect on London futures prices.

Modest rally in tin market

PRICES staged a modest rally on the London Metal Exchange yesterday after the tin heavily fell in the previous session.

U.K. dairy sales boost

ADVERTISING on milk and dairy products is to be stepped up by £1m.—a rise of nearly 20 per cent—over the year 1977.

Interest by China helps firm sugar

The lingering impact of recent Chinese activity in the world sugar market helped keep up futures prices in London yesterday.

CHRISTMAS ON THE FARM Perverse pigs mar a peaceful day

ON CHRISTMAS DAY I relieved my shepherd and spent a couple of hours driving round the farm divided, wintery mobs of my flock.

The attack of foot-rot was particularly disappointing as my flock had been free of it for many years but it seemed to have been due to the very mild weather of the last few months as many of my neighbours had the same trouble.

COMMODITY MARKET REPORTS AND PRICES

Table with columns for various commodities like Tin, Lead, Zinc, Silver, Gold, and their respective prices and market movements.

Anchovy stocks 'still too low'

ALBERTO INDACOCHA, director of the Peruvian Oceanographic Institute, said it would be counter-productive to allow anchovy fishing next year.

India faces bigger bill for fertiliser

INDIA will import more fertilisers before the end of this financial year on March 31, and total imports for the year will cost more than Rs.45bn.

FINANCIAL TIMES CINEMA

There's no need to hunt around the West End for a suitable venue or viewing theatre. The FT Cinema, here in the City, offers seating in comfort for 50+ people.

SUGAR

Table showing sugar prices for various grades and origins, including London and New York markets.

PRICE CHANGES

Table listing price changes for various commodities such as metals, oils, and grains.

GRAINS

Table showing grain prices for wheat, barley, and other cereals in different markets.

US Markets

Table listing US market prices for commodities like sugar, coffee, and other goods.

WOOL FUTURES

Table showing wool futures prices for different grades and origins.

VEGETABLE OILS

Table showing vegetable oil prices for various types like soyabean, rapeseed, and sunflower.

RUBBER

Table showing rubber prices for different grades and origins.

Rubber price council to meet next month

The association said the meeting would be followed on January 13 by a special executive committee meeting at which the appointment of a new secretary-general would be discussed.

MEAT/VEGETABLES

Table showing meat and vegetable prices for various types and origins.

FINANCIAL TIMES

Table showing financial data and market indices from the Financial Times.

STOCK EXCHANGE REPORT

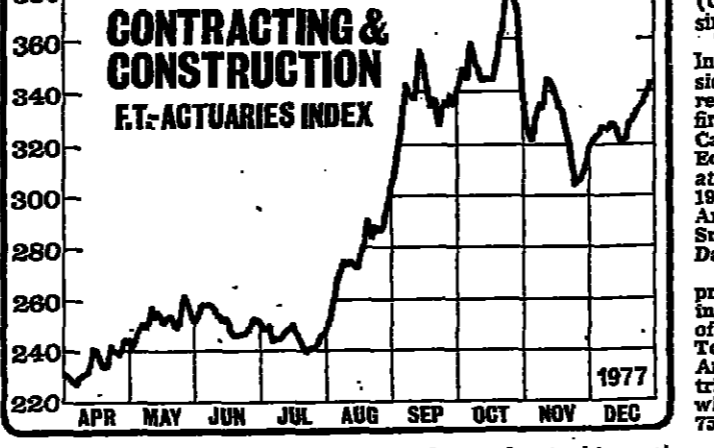
Short Gilts feature on good demand but equities lag Share index up 0.2 at 490.6 after 492.7—Golds up again

Account Dealing Dates
 Option
 *First Declara- Last Account Dealings
 Dec. 12 Dec. 29 Dec. 30 Jan. 11
 Jan. 2 Jan. 12 Jan. 13 Jan. 24
 Jan. 16 Jan. 26 Jan. 27 Feb. 7
 * * * * *
 Short-dated British Funds featured stock markets with rises to 1/2 following a bid demand for 30p Exchequer 7 per cent 1981 which rose to 1/2 to 1/2 a rise of 1/2 on the December 16 issue price of 95 1/2. There was less demand for the longer, but quotations here, having been a net 1/2 down, recovered to end with 0.07 more to 1 1/2. The Government Securities index hardened 1/2 more to 77.93.

forward in a relatively small business and generally closed higher on balance. Last Friday's Newcomer Treasury 101 per cent 1989 reacted to 1 1/2, in 1/2-paid form, before settling only marginally easier on the day at 1 1/2. Southern Rhodesian bonds improved a couple of points following the assumption of the peace talks aimed at leading Rhodesia to black majority rule.

rates. Of the first-line issues, Land Securities improved to 2 1/2 after reacting to close a net 3 cheaper at 2 1/2. MREPC remained at 1 1/2, but Stock Conversion hardened 2 to 2 1/2; the price of the last-named was incorrect in yesterday's issue. Elsewhere, Hammonster A slipped 5 in a thin market to 3 1/2.

Leading equities, on the other hand, made a disappointing showing following the promising advance on Wednesday which was fuelled by the optimistic OECD forecast led to 1 1/2 economy in 1977-78. Marked up at the start, prices soon retreated in the absence of any follow-through support and the 10 a.m. move narrowly thereafter with a downward bias which left a net gain of only 0.2 at 490.6. Press comment doubting the statistics backing the OECD forecast led to 1 1/2, while thoughts in this respect, and a reminder of the adverse effects a rising pound has on overseas profits of large U.K. companies was another dampener. The FT-quoted Industrials outnumbered falls for the ninth successive business day although yesterday's index narrowed to 7 1/2 against the previous day's 11 1/2. The FT-quoted Industrials outnumbered falls for the ninth successive business day although yesterday's index narrowed to 7 1/2 against the previous day's 11 1/2.



Midway dip for Philip Harris
 WITH TURNOVER marginally ahead from 24.22m to 24.22m, Philip Harris (Harris) slipped from 230.20 to 227.16 in the six months ended September 30, 1977. Directors consider the result disappointing and say a rise in home sales has been offset by a fall in exports which failed to reach budget for the period, due partly to difficulties with letters of credit.

Short Gilts strong
 British Funds of a shorter maturity came into their own yesterday and in exchange rates, the long end of the market. A measure of the demand for the shorts was the Government Broker's action in twice raising the selling price for supplies of the tap Exchequer 8 1/2 per cent 1981, withdrawing finally at 97 after having sold earlier at 96 1/2. New Year interest rate hopes coupled with sterling's strong performance in foreign exchange markets inspired the support which led to final gains extending to 1/2, and a further slight improvement after the official close. Meanwhile, interest longer securities had opened a little hesitantly but, encouraged by the tone in the shorts edged

Utd. Scientific up
 Apart from Thorn, 3 cheaper at 88 1/2, Electrical leaders ended slightly harder. Elsewhere, United Scientific were favoured at 28 1/2, up 1/2, along with Electrocom, 5 to the good at 35 1/2. Rael, however, ended a few pence cheaper at 20 1/2.

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Discounts below best
 Helped by favourable Press mention and the firmness of gilt-edged, Discount Houses made good use of Best levels were not always held but Alexander, after touching 28 1/2, still finished 1/2 better at 27 1/2. Union hardened 1/2 to 45 1/2, while minor improvements were recorded in Allen Harvey and Ross at 52 1/2, and Cater Ryker, at 30 1/2. Gillett Bros were also 1/2 to the good, at 25 1/2. The most clearing Banks repeated Wednesday's quiet firm trend with Midland 2 higher at 32 1/2 and NatWest 4 dearer at 29 1/2. Among overseas issues, National Bank of Australasia put on 9 to 20 1/2 with the new nil-paid shares 13 up at 5 1/2.

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Country	Currency	Value of D.L.R.	Country	Currency	Value of D.L.R.
Afghanistan	Afghal (to)	45.00	Canada	U.S. \$	1.00
Albania	Leq (to)	5.125	Chad	Fr. CFA	200.00
Algeria	Dinar (to)	4.1415	Colombia	Col. \$	1.00
Andorra	Fr. Franc	163.63	Costa Rica	Costa \$	1.00
Angola	Esc. Pesta	61.02	Cuba	Cuban \$	1.00
Antigua	St. Caribbean \$	2.7023	Cyprus	Cyprus \$	0.2891
Argentina	Ar. Peso	381.50	Czechoslovakia	Koruna (to)	2.036
Australia	Aust. \$	1.4983	Denmark	Danish Krone	5.73
Austria	Schilling	13.19	Dominican Rep.	St. Caribbean \$	2.7023
Azores	Port. Escudo	40.00	Ecuador	Quint. Pesto	1.00
Bahamas	Ba. \$	1.00	El Salvador	Salv. \$	0.214
Bahrain	Ba. \$	1.00	Senegal	Fr. CFA	200.00
Baluchistan	Sp. Pesta	61.02	Sierra Leone	Sierra \$	1.00
Bangladesh	Taka	14.732	Sri Lanka	Sri Lanka \$	1.00
Barbados	Bd. \$	2.7023	St. Helena	St. Helena \$	1.00
Belgium	Fr. Franc (m)	20.36	St. Kitts	St. Kitts \$	1.00
Belize	Belize \$	2.00	St. Lucia	St. Lucia \$	1.00
Bolivia	Bol. \$	1.00	St. Vincent	St. Vincent \$	1.00
Bonin	Yen	100.00	Suriname	Suriname \$	1.00
Brazil	Cruc. \$	1.00	Taiwan	New Taiwan \$	37.57
Bulgaria	Bulg. \$	1.00	Thailand	Thai Baht	50.00
Burma	Bur. \$	1.00	Togo	Fr. CFA	200.00
Burundi	Burundi Franc	50.00	Tonga	Tonga \$	1.00
Cameroon	Fr. CFA	200.00	Trinidad	Trin. & Tob. \$	2.00
Canada	U.S. \$	1.00	Tunisia	Tunisian Dinar	1.00
Chad	Fr. CFA	200.00	Turkey	Turkish Lira	1.00
Chile	Ch. Pes. (m)	20.36	Turks & C. Is.	C.S. \$	1.00
China	Renminbi Yuan	1.7399	Uruguay	Uruguay \$	1.00
Colombia	Col. \$	1.00	USA	U.S. \$	1.00
Costa Rica	Costa \$	1.00	USSR	Ruble	0.7533
Cuba	Cuban \$	1.00	Vietnam	Vietnam \$	1.00
Cyprus	Cyprus \$	0.2891	Yemen	Yemen Rial	42.57
Czechoslovakia	Koruna (to)	2.036	Zambia	Zambian Kwacha	0.7094
Denmark	Danish Krone	5.73	Zimbabwe	Zimbabwe \$	1.00
Dominican Rep.	St. Caribbean \$	2.7023			
Ecuador	Quint. Pesto	1.00			
El Salvador	Salv. \$	0.214			
Senegal	Fr. CFA	200.00			
Sierra Leone	Sierra \$	1.00			
Sri Lanka	Sri Lanka \$	1.00			
St. Helena	St. Helena \$	1.00			
St. Kitts	St. Kitts \$	1.00			
St. Lucia	St. Lucia \$	1.00			
St. Vincent	St. Vincent \$	1.00			
Suriname	Suriname \$	1.00			
Taiwan	New Taiwan \$	37.57			
Thailand	Thai Baht	50.00			
Togo	Fr. CFA	200.00			
Tonga	Tonga \$	1.00			
Trinidad	Trin. & Tob. \$	2.00			
Tunisia	Tunisian Dinar	1.00			
Turkey	Turkish Lira	1.00			
Turks & C. Is.	C.S. \$	1.00			
Uruguay	Uruguay \$	1.00			
USA	U.S. \$	1.00			
USSR	Ruble	0.7533			
Vietnam	Vietnam \$	1.00			
Yemen	Yemen Rial	42.57			
Zambia	Zambian Kwacha	0.7094			
Zimbabwe	Zimbabwe \$	1.00			

RECENT ISSUES		EQUITIES	
Issue	Value	Stock	Value
104 P.F.	420	1000 E.P.	1000
105 P.F.	119	1000 F.P.	1000
106 P.F.	61	1000 G.P.	1000
107 P.F.	25	1000 H.P.	1000
108 P.F.	25	1000 I.P.	1000
109 P.F.	25	1000 J.P.	1000
110 P.F.	25	1000 K.P.	1000
111 P.F.	25	1000 L.P.	1000
112 P.F.	25	1000 M.P.	1000
113 P.F.	25	1000 N.P.	1000
114 P.F.	25	1000 O.P.	1000
115 P.F.	25	1000 P.P.	1000
116 P.F.	25	1000 Q.P.	1000
117 P.F.	25	1000 R.P.	1000
118 P.F.	25	1000 S.P.	1000
119 P.F.	25	1000 T.P.	1000
120 P.F.	25	1000 U.P.	1000
121 P.F.	25	1000 V.P.	1000
122 P.F.	25	1000 W.P.	1000
123 P.F.	25	1000 X.P.	1000
124 P.F.	25	1000 Y.P.	1000
125 P.F.	25	1000 Z.P.	1000

FIXED INTEREST STOCKS		"RIGHTS" OFFERS	
Issue	Value	Issue	Value
1000 E.P.	1000	1000 E.P.	1000
1000 F.P.	1000	1000 F.P.	1000
1000 G.P.	1000	1000 G.P.	1000
1000 H.P.	1000	1000 H.P.	1000
1000 I.P.	1000	1000 I.P.	1000
1000 J.P.	1000	1000 J.P.	1000
1000 K.P.	1000	1000 K.P.	1000
1000 L.P.	1000	1000 L.P.	1000
1000 M.P.	1000	1000 M.P.	1000
1000 N.P.	1000	1000 N.P.	1000
1000 O.P.	1000	1000 O.P.	1000
1000 P.P.	1000	1000 P.P.	1000
1000 Q.P.	1000	1000 Q.P.	1000
1000 R.P.	1000	1000 R.P.	1000
1000 S.P.	1000	1000 S.P.	1000
1000 T.P.	1000	1000 T.P.	1000
1000 U.P.	1000	1000 U.P.	1000
1000 V.P.	1000	1000 V.P.	1000
1000 W.P.	1000	1000 W.P.	1000
1000 X.P.	1000	1000 X.P.	1000
1000 Y.P.	1000	1000 Y.P.	1000
1000 Z.P.	1000	1000 Z.P.	1000

FINANCIAL TIMES STOCK INDICES

Index	Dec. 29	Dec. 28	Dec. 27	Dec. 26	Dec. 25	Dec. 24	Dec. 23
Government Sec.	77.93	77.80	77.52	77.43	77.00	77.00	76.97
Fixed Interest	80.60	80.54	80.25	80.23	80.17	80.00	80.00
Industrial Ordinary	490.6	490.4	483.7	481.6	480.0	477.6	480.0
Gold Mines	139.6	139.7	131.6	131.4	131.3	129.8	131.6
Div. Yield	5.45	5.45	5.42	5.42	5.38	5.37	5.37
Share Y. Yield	16.87	16.85	16.79	16.82	16.87	16.90	16.74
P/E Ratio (m)	8.56	8.56	8.44	8.42	8.42	8.40	8.42
Debt/Equity	3.563	3.568	3.568	3.572	3.572	3.572	3.572
Equity Y. Yield	14.31	14.31	14.14	14.14	14.14	14.14	14.14
Equity Y. Yield	7.446	7.446	7.446	7.446	7.446	7.446	7.446

HIGHS AND LOWS		S.E. ACTIVITY		
High	Low	High	Low	
Govt. Sec.	79.25	80.46	137.8	49.18
Fixed Int.	80.60	80.40	150.6	80.53
Ind. Ord.	499.4	537.6	549.2	49.4
Gold Mines	174.5	95.1	442.3	45.5

NEW HIGHS AND LOWS FOR 1977

Index	High	Low	Index	High	Low
Govt. Sec.	79.25	80.46	Govt. Sec.	79.25	80.46
Fixed Int.	80.60	80.40	Fixed Int.	80.60	80.40
Ind. Ord.	499.4	537.6	Ind. Ord.	499.4	537.6
Gold Mines	174.5	95.1	Gold Mines	174.5	95.1

OPTIONS TRADED

Deal	Last	Deal	Last
Nov. 22 Dec. 5 Feb. 23 Mar. 7	111.3	Nov. 22 Dec. 5 Feb. 23 Mar. 7	111.3
Dec. 19 Mar. 30 Apr. 11	111.3	Dec. 19 Mar. 30 Apr. 11	111.3

RISES AND FALLS YESTERDAY

Index	Value	Change
Government Sec.	77.93	+0.13
Fixed Interest	80.60	+0.06
Industrial Ordinary	490.6	+0.2
Gold Mines	139.6	+0.1

FT-ACTUARIES SHARE INDICES

Index	Value	Change
Capital Goods	210.35	+0.6
Building Materials	193.10	+0.7
Contracting & Construction	245.25	+0.3
Electronics	466.59	+0.4
Engineering (Gen'l)	300.79	+0.1
Engineering (Spec'l)	162.25	+0.7
Food & Drink	108.39	+0.2
Machinery & Tools	161.15	+0.1
Miscellaneous	161.15	+0.1

Index	Value	Change
Capital Goods	210.35	+0.6
Building Materials	193.10	+0.7
Contracting & Construction	245.25	+0.3
Electronics	466.59	+0.4
Engineering (Gen'l)	300.79	+0.1
Engineering (Spec'l)	162.25	+0.7
Food & Drink	108.39	+0.2
Machinery & Tools	161.15	+0.1
Miscellaneous	161.15	+0.1

The Bank of America's World Value of the Dollar Table will not be appearing regularly next year. However, readers who require a weekly update of the Table should contact Bank of America NT & SA, 25 Cannon Street, London EC4A 3DF. Tel: 236.2010 Ext. 2353, 2014 or 2018.

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts including sections for British Life Office Ltd, British Shipley & Co Ltd, and various other trusts.

Table of Offshore and Overseas Funds including sections for Perpetual Unit Trust, Pionically Unit Trust, and various international funds.

Table of Offshore and Overseas Funds (continued) including sections for Fidelity Mgmt & Res, Keynote Mgmt, and various other funds.

Table of Offshore and Overseas Funds (continued) including sections for Keynote Mgmt, Keynote Mgmt, and various other funds.

CLIVE INVESTMENTS LIMITED

Table of Clive Investments Limited products including Royal Exchange, Clive Fixed Interest, and Clive Fixed Income.

INSURANCE BASE RATES

Table of Insurance Base Rates for Property Growth, Cannon Assurance, and Clive Fixed Interest.

BASE LENDING RATES

Table of Base Lending Rates for various banks including A.B.N. Bank, Allied Irish Banks, and others.

FOOD PRICE MOVEMENTS

Table of Food Price Movements for various commodities like Bacon, Butter, Cheese, Eggs, and Lamb.

INSURANCE, PROPERTY, BONDS

Large table of Insurance, Property, and Bonds including sections for Abbey Life Assurance, Credit & Commerce Insurance, and various other financial products.

NOTES

Notes section providing additional information and disclaimers regarding the financial data.



Japan's leader in international securities and investment banking

NOMURA

The Nomura Securities Co., Ltd.

NOMURA EUROPE N.V. LONDON OFFICE:
Barbican Square, London Wall, London EC2A 4PU, ENGLAND. Tel: 011 005-3411, 0253

INSURANCE—Continued

Stock	Price	%	Div	Yield
Accident	100			
Amalgamated	100			
Commercial Union	100			
Equity	100			
General	100			
Industrial	100			
Marine	100			
Metropolitan	100			
North British	100			
Prudential	100			
Scottish	100			
Swire	100			
Union	100			
Western	100			

PROPERTY—Continued

Stock	Price	%	Div	Yield
British	100			
City	100			
Commercial	100			
Equity	100			
General	100			
Industrial	100			
Marine	100			
Metropolitan	100			
North British	100			
Prudential	100			
Scottish	100			
Swire	100			
Union	100			
Western	100			

INV. TRUSTS—Continued

Stock	Price	%	Div	Yield
British	100			
City	100			
Commercial	100			
Equity	100			
General	100			
Industrial	100			
Marine	100			
Metropolitan	100			
North British	100			
Prudential	100			
Scottish	100			
Swire	100			
Union	100			
Western	100			

FINANCE, LAND—Continued

Stock	Price	%	Div	Yield
British	100			
City	100			
Commercial	100			
Equity	100			
General	100			
Industrial	100			
Marine	100			
Metropolitan	100			
North British	100			
Prudential	100			
Scottish	100			
Swire	100			
Union	100			
Western	100			

MOTORS, AIRCRAFT TRADES

Stock	Price	%	Div	Yield
British	100			
City	100			
Commercial	100			
Equity	100			
General	100			
Industrial	100			
Marine	100			
Metropolitan	100			
North British	100			
Prudential	100			
Scottish	100			
Swire	100			
Union	100			
Western	100			

MINES—Continued

Stock	Price	%	Div	Yield
British	100			
City	100			
Commercial	100			
Equity	100			
General	100			
Industrial	100			
Marine	100			
Metropolitan	100			
North British	100			
Prudential	100			
Scottish	100			
Swire	100			
Union	100			
Western	100			

INSURANCE

PROPERTY

INSURANCE

FINANCE, LAND, etc.

INSURANCE

INSURANCE

Unless otherwise indicated, prices and yields are in pence and percentages are based on the latest available figures. Dividends are shown in pence per share. Yields are based on the latest available figures. All figures are subject to change without notice. The London Stock Exchange is closed on Friday, December 30, 1977.

